

Court File No. CV-10-8961-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.
And GE CANADA EQUIPMENT FINANCING G.P.**

Applicants

- and -

1733073 ONTARIO INC.

Respondent

**MOTION RECORD OF THE MOVING PARTY,
THE APPLICANTS**

Returnable July , 2011

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1726463 Ontario Inc.

And **1066056 ONTARIO INC.**
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And **1769143 ONTARIO INC.**
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2.	Affidavit of Michael Pisani sworn July 14, 2011
Exhibit "A":	First Report of Receiver dated July 14, 2011
3.	Affidavit of Marc Lapointe sworn July 15, 2011
Exhibit "A":	Loan Agreement dated May 25, 2007
Exhibit "B":	Mortgage/Charge of Land registered on July 13, 2007
Exhibit "C":	Assignment of Rents registered on June 26, 2007
Exhibit "D":	Silk Route Lease dated July 1, 2004

Exhibit "E": Zeera Lease dated January 1, 2007

Exhibit "F": Order appointing Pricewaterhouse Coopers Inc. as Receiver.
Dated May 27, 2011

Exhibit "G": E-mail to GE notifying it of the 2008 Café Quinte Lease

TAB 1

**ONTARIO
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**NOTICE OF MOTION
(returnable July ●, 2011)**

General Electric Canada Real Estate Finance Inc. (the "Mortgagee") will make a motion to the Court on July ●, 2011 at 10 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally

THE MOTION IS FOR AN ORDER:

1. abridging the time for service of the Notice of Motion and the Motion Record and dispensing with further service thereof;
2. declaring that the Leases (as defined herein) are void as against the Mortgagee and not binding on the Mortgagee and the Receiver (as defined herein);

3. terminating the occupation of the Silk Route Premises (as defined herein) by 2245632 Ontario Inc. ("224") and the Café Quinte Premises (as defined herein) by 1726463 Ontario Inc. ("172" and together with 224, the "Current Occupants") and declaring that the Mortgagee is immediately entitled to vacant possession of the Silk Route Premises and Café Quinte Premises;
4. directing the Current Occupants, 1066056 Ontario Inc. ("106") and 1769143 Ontario Inc. ("176") to pay to the Mortgagee *mesne* profits in accordance with the formulae set out in Appendix "A" hereto on account of the rents payable since July 21, 2010; and
5. such further and other relief as counsel may request and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

6. On May 25, 2007, GE Canada Equipment Financing G.P. ("GE Equipment Financing", and together with the Mortgagee, "GE") entered into a Loan Agreement with 1733073 Ontario Inc. ("173") (the "Loan Agreement").
7. As security for 173's obligations under the Loan Agreement, 173 executed and delivered to GE, among other security:
 - (a) a Mortgage/Charge of Land (the "Mortgage") registered on July 13, 2007 against the property municipally known as 11 Pinnacle Street, Belleville, Ontario (the "Hotel Property");
 - (b) an Assignment of Rents registered on June 13, 2007 against the Hotel Property as instrument number HT35136 (the "Assignment of Rents"); and
 - (c) a General Security Agreement dated June 4, 2007.
8. Pursuant to the Assignment of Rents, 173 agreed not to alter the terms of all present and future leases in respect of the Hotel Property, including,

without limitation, the amount of rent payable and the length of each lease's term, without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

9. 173 defaulted on its obligations under the Loan Agreement and, by letter dated July 21, 2010, GE issued a Notice of Default to 173 in respect of its obligations under the Loan agreement.
10. Pursuant to an Order of this Honourable Court dated May 27, 2011 (the "Appointment Order"), upon application of GE, PricewaterhouseCoopers Inc. was appointed as receiver (the "Receiver"), without security, of all the assets, undertakings and properties of 173, including the Hotel Property.

The Leases

11. 173 leased approximately 3,500 square feet, located on the main floor of the Hotel Property (the "Silk Route Premises"). In respect of the Silk Route Premises, the Receiver has provided the Mortgagee and GE with the following:
 - (a) Lease dated July 1, 2004 between 106 and Shaheshah Investments Inc. (the previous owner of the Hotel Property, "Shaheshah") (the "2004 Silk Route Lease");
 - (b) Lease dated July 1, 2009 between the Company and 106 (the "2009 Silk Route Lease"); and
 - (c) Lease dated March 1, 2011 between the Company and 224 (the "Purported New Silk Route Lease").
12. 173 leased approximately 2,600 square feet, facing south on Bridge Street, located on the main floor of Hotel Property (the "Café Quinte Premises" (previously The Golden Griddle)). In respect of the Café Quinte Premises, the Receiver has provided the Mortgagee and GE with the following:

- (a) Lease dated January 1, 2007 between Zeera Holdings Ltd. and Shaheshah (the "2007 Zeera Lease");
- (b) Lease dated June 1, 2008 between the Company and 1769143 Ontario Inc. ("176") (the "2008 Café Quinte Lease"); and
- (c) Lease dated March 1, 2011 between the Company and 172 (the "Purported New Café Quinte Lease").

13. When GE entered into the Loan Agreement, it had knowledge of the 2004 Silk Route Lease and 2007 Zeera Lease (together, the "Previous Leases").

14. The 2009 Silk Route Lease, 2008 Café Quinte Lease, Purported New Silk Route Lease, and Purported New Café Quinte Lease (collectively, the "Leases") were entered into subsequent to the Mortgage and without GE's consent. They amended the terms of the Previous Leases in violation of the Assignment of Rents.

15. The Purported New Café Quinte Lease and Purported New Silk Route Lease were each executed by Siva Suthakaran ("Suthakaran") on behalf of 173 in his capacity as President, and Jennine DeLuca on behalf of both of the Current Occupants in her capacity as President.

16. Suthakaran is also a director and/or officer of the Current Occupants and Jennine De Luca is his part-time assistant. In addition, the head office of both of the Current Occupants is located in the suite adjacent to 173's head office.

17. In the absence of the Mortgagee's consent to the Leases, the Leases are void as against the Mortgagee and the Mortgagee is entitled to vacant possession of the Silk Route Premises and Café Quinte Premises (together, the "Restaurant Premises").

18. The Mortgagee understands from the Receiver's review of the books and records of 173, that 173 has only received approximately \$8,000 in respect of rental payments in respect of the Restaurant Premises from 106, 176 or the Current Occupants for the period of January 1, 2010 to the date of the Appointment Order. Since the date of the Appointment Order, the Receiver has not received any rental payments or occupation rent in respect of the Restaurant Premises.
19. The Receiver and the Mortgagee have serious health and safety concerns in respect of the ongoing operation of the Restaurant Premises, including concerns regarding a number of violations of the *Fire Code (Ontario)* at the Restaurant Premises detailed in a report from the Fire Marshal dated July 8, 2011.
20. The proposed terms of the Current Occupants' continued occupation of the Restaurant Premises, as verbally communicated to counsel to the Receiver, are not acceptable to the Mortgagee or the Receiver because, in light of the various deficiencies identified by the Fire Marshal at the Restaurant Premises, which require remediation, they are uneconomical.
21. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure (Ontario)*.
22. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

1. The affidavit of B. Michael Pisani, sworn July 14, 2011;
2. The affidavit of Marc Lapointe, sworn July 15, 2011;
3. Such further and other evidence as counsel may advise and this Honourable Court permit.

July 15, 2011

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APPENDIX "A"

Date that Mortgagee was entitled to possession: July 21, 2010

Calculation in Respect of 106:

Term of occupation: July 21, 2010 – date of order

Monthly Rent: \$5,000

Total Mesne Profits owed by 106: Number of months of occupation X \$5000

Calculation in Respect of 176

Term of occupation: July 21, 2010 – date of order

Monthly Rent: \$5,000

Total Mesne Profits owed by 176: Number of months of occupation X \$5000

Calculation in respect of 224

Term of occupation: March 1, 2011 – date of order

Monthly Rent: \$5,000

Total Mesne Profits owed by 224: Number of months of occupation X \$5000

Calculation in Respect of 172

Term of occupation: March 1, 2011 – date of order

Monthly Rent: \$5,000

Total Mesne Profits owed by 172: Number of months of occupation X \$5000

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC. et al. v. 1733073 ONTARIO INC.

- Applicants -

- Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(PROCEEDING COMMENCED AT TORONTO)

NOTICE OF MOTION

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Solicitors for the Applicants,
General Electric Canada Real Estate Finance Inc. and
GE Canada Equipment Finance G.P.

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N :

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and GE CANADA EQUIPMENT FINANCING G.P.**

Applicants

- and -

1733073 ONTARIO INC.

Respondent

AFFIDAVIT OF B. MICHAEL PISANI

I, B. Michael Pisani, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President, Workout Leader for GE Capital, Canada. I have been assigned certain responsibilities on behalf of General Electric Canada Real Estate Finance Inc. and GE Canada Equipment Financing G.P. (together, "GE") for the account of 1733073 Ontario Inc ("173"). As such I have knowledge of the matters to which I hereinafter depose, except where I make a statement on information or belief, in which case I

have indicated the source of my knowledge, and that I believe such information to be true.

2. I am making this affidavit in support of a motion brought by GE seeking, among other things, an order (a) declaring certain leases in respect of the Café Quinte Restaurant and Silk Route Restaurant (together, the "Restaurants") located on the main floor of the hotel building located at 211 Pinnacle Street Belleville, Ontario (the "Hotel Property") are void and, (b) terminating the occupation of the Restaurants by 2245632 Ontario Inc. and 1726463 Ontario Inc. together, (the "Current Occupants").

Appointment of Receiver

3. Upon the application of GE, on May 27, 2011 the Court appointed PricewaterhouseCoopers Inc. as receiver (the "Receiver"), without security, of all the assets, undertakings and properties of 173. A copy of the order appointing the Receiver is attached at Exhibit "F" to the affidavit of Marc Lapointe, sworn July 14, 2011.

Hotel Quinte health and safety concerns

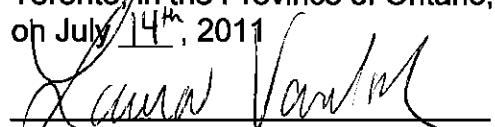
4. Since the Receiver's appointment, GE has learned of information regarding the conditions of the Restaurants located at the Hotel Property. The Receiver informed GE of reports that it received from a Union Gas Inspector (the "Inspector") and the Fire Marshal that raise certain health and safety concerns regarding the ongoing operation of the Restaurants.

5. The particulars of the reports prepared by the Inspector and the Fire Marshal and the outcomes of their inspections of the Restaurants are more particularly set out in the First Report of the Receiver dated July 14, 2011 (the "First Report"), a copy of which is attached hereto at **Exhibit "A"**.
6. Based on the report of the Inspector, as detailed in the First Report, GE is concerned that the Current Occupants may not be properly maintaining the equipment used to operate the Restaurants. Specifically, it is cause for concern that:
 - (a) After the Inspector attended at the Hotel Property on June 17, 2011 and inspected the Café Quinte Restaurant, he verbally warned the general manager of the Hotel Property that the grease build up on the stove posed a serious fire hazard; and
 - (b) The Inspector determined that one of the kitchen stoves/ ranges in the Silk Route Restaurant was unsafe and not in compliance with the Ontario Natural Gas Code (the "Gas Code") and that the kitchen required cleaning before the gas supply would be reconnected.
7. Based on the e-mail from the Fire Marshal to the Receiver on June 24, 2011 (the "Fire Marshal Email") and the Fire Marshal's subsequent July 8, 2011 report, GE is concerned that there are serious Ontario Fire Code (the "Fire Code") deficiencies at the Silk Route Restaurant that require

remediation. GE understands from the Receiver that the Current Occupant of the Silk Route Restaurant has not confirmed that the deficiencies noted in the Fire Marshal Email have been remedied. GE believes that this presents a safety concern for customers of the Restaurants and guests at the Hotel Property.

8. GE is concerned that the Receiver, and in turn GE, as the entity funding the Receiver's borrowing in respect of Hotel Quinte, will ultimately bear the economic burden of remedying the Fire Code violations present in the Restaurants.
9. I am informed by the Receiver that it has requisitioned a building audit, which GE believes may identify additional deficiencies under the Gas Code and/or the Fire Code in respect of the Restaurants. The Fire Marshal Email noted that additional violations to the Fire Code may be identified once the Fire Marshal is able to gain access to the duct work in the kitchen of the Silk Route Restaurant. The Receiver, and in turn GE, may ultimately be responsible for paying any such remediation costs.

SWORN before me at the City of
Toronto, in the Province of Ontario,
on July 14th, 2011


Commissioner for Taking Affidavits

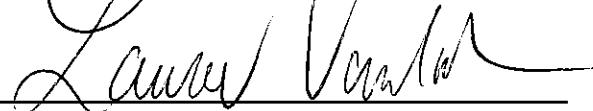
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B. MICHAEL PISANI

This is **Exhibit "A"** to the
Affidavit of B. Michael Pisani

Sworn before me in Toronto, Ontario

On this 14th day of July, 2011



A commissioner for taking affidavits

Court File No. CV-10-8961-ooCL

**ONTARIO
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and G.E. EQUIPMENT FINANCING G.P.**

Applicant

- AND -

1733073 ONTARIO INC.

Respondent

**APPLICATION UNDER SECTION 243 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**

**FIRST REPORT OF RECEIVER OF
1733073 ONTARIO INC.**

July 14, 2011

INTRODUCTION

1. Pursuant to an application by General Electric Real Estate Finance Inc. and G.E. Capital Equipment Financing G.P. (together “**GE**” or the “**Lender**”) under 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, and an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated May 27, 2011 (the “**Date of Appointment**”), PricewaterhouseCoopers Inc. was appointed as Receiver (“**PwC**” or the “**Receiver**”) without security over all the assets, undertakings and properties (the “**Property**”) of 1733073 Ontario Inc. (“**173**” or the “**Company**”).
2. This is the Receiver’s first report (the “**First Report**”), the purpose of which is to:
 - (a) inform this Honourable Court of the Receiver’s activities from the Date of Appointment to the date of this First Report; and
 - (b) provide further background information in respect of the Mortgagee’s (as defined hereinafter) motion seeking, among other things:
 - (i) a declaration that the Leases (as defined herein) are void as against the Mortgagee and not binding on the Mortgagee and the Receiver; and
 - (ii) the termination of the occupation of 2245623 Ontario Inc. (“**224**”) and 17264673 Ontario Inc. (“**172**” and together with 224, the “**Current Occupants**”) and declaring that the Mortgagee is entitled to vacant possession of the Silk Route Premises and Cafe Quinte Premises (as such terms are defined herein).
3. The Receiver will seek approval of its activities from the Date of Appointment to the date of this First Report in conjunction with a Motion to seek this Honourable Court’s approval of a sale process and the retention of a real estate broker in respect of the marketing and sale of the Property, and will report to the Court shortly thereon.

4. In preparing this First Report, the Receiver has relied upon internal information of the Company provided to it by the Company. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information provided to it and expresses no opinion, or other form of assurance, in respect of the information contained in this report.
5. Unless otherwise noted, all currency amounts contained in this report are expressed in Canadian dollars.

BACKGROUND

6. 173 owns and operates a 45 room hotel located on real property owned by the Company at 211 Pinnacle Street, Belleville, Ontario. The hotel currently operates under the trade name "**Hotel Quinte**".
7. The Company's registered head office is located at 250 Consumers Road, Suite 702, Toronto, Ontario (the "**Company's Head Office**").
8. The Receiver understands that GE advanced \$2,600,000 to 173 pursuant to a loan agreement dated May 27, 2007 (the "**Loan Agreement**"). As security for 173's obligations under the Loan Agreement, 173 granted GE the following security:
 - (a) a General Security Agreement dated June 4, 2007;
 - (b) a Mortgage/Charge of Land registered July 13, 2007, against the Property; and
 - (c) an Assignment of Rents registered June 13, 2007, against the Property (the "**Assignment of Rents**").
9. The Receiver understands that 173 has been in default in respect of the Loan Agreement since July 2010. On August 16, 2010, GE issued to 173 a Notice of Intention to Enforce its security pursuant to section 244 of the BIA.
10. PwC was appointed as Receiver pursuant to the Appointment Order.

11. The Hotel Quite has two restaurants which are leased and operated by third parties, the Silk Route Restaurant and the Cafe Quinte Restaurant.

RECEIVER'S ACTIVITIES SINCE THE DATE OF APPOINTMENT

Possession and Control of Property

12. Pursuant to the Appointment Order, the Receiver took possession and control of the Hotel Quinte on May 27, 2011. Although the Receiver attended at the Company's Head Office on the afternoon of May 27, 2011 to take possession of the Company's Books and Records ("**Books and Records**"), no one was available to provide the Receiver with access to the Company's Head Office.
13. The Receiver contacted Mr. Siva Suthakaran ("**Suthakaran**"), the owner of 173, who informed the Receiver that he was not available to provide the Receiver with immediate access to the Company's Head Office or the Books and Records. Suthakaran advised the Receiver to return on Monday, May 30, 2011, when the Company's Books and Records would be made available to the Receiver.
14. The Receiver attended at the Company's Head Office again on May 30, 2011 and met with a representative of 173, who provided the Receiver with three boxes of documents and some additional files, which Suthakaran represented as the Books and Records.
15. The Receiver understands that the Company's Head Office is shared with a number of Suthakaran's other businesses and that the Books and Records were co-mingled with the books and records of Suthakaran's other businesses. The Receiver was advised by Suthakaran that the Books and Records contained in the boxes provided to the Receiver, had been sorted and prepared prior to the Receiver's arrival.
16. The Company's accounting system was maintained on the same computer ("**Accounting Computer**") as Suthakaran's other businesses. The Receiver was able to take copies of the financial records on the Accounting Computer, to the extent that it was able to identify the accounting records as belonging to the Company.
17. The Receiver was not permitted access to all computers at the Company's Head Office. Suthakaran advised the Receiver that he used his own personal computer

(“Suthakaran’s Computer”) for Company business including the sending and receiving of email correspondence. Although the Receiver was not permitted access to Suthakaran’s Computer, the Receiver was advised by 173’s counsel that there were no business records related to 173 on Suthakaran’s Computer, hence the Receiver did not pursue access to, or copy files from this computer.

18. The Receiver understood that prior to the Date of Appointment, the Company had maintained three (3) bank accounts (the “Accounts”) at three separate Canadian financial institutions. On the Date of Appointment, the Receiver took steps to freeze the Accounts and instructed each of the financial institutions to remit any funds in the Accounts to the Receiver. The Receiver was advised by the three separate financial institutions that the Accounts had been closed prior to the Receiver’s appointment. One of the accounts was closed by the financial institution on May 13, 2011; the others were closed well before the Date of the Appointment. As of the date of this First Report, the Receiver has not recovered any funds from the Accounts.
19. The Receiver reviewed the Company’s insurance coverage with Insurance Protection Group, the Company’s insurance brokers and its own insurance advisor, and determined that the Company’s insurance coverage should adequately insure the Property from loss or damage during its appointment as Receiver. The Receiver has been added as a loss payee and named insured in respect of the Company’s insurance policies. The Company had prepaid insurance coverage for the period up to and including July 13, 2011. Insurance Protection Group has advised the Receiver that the insurer has agreed to renew the policy for the period July 14, 2011 to July 13, 2012.

Employees

20. At the Date of Appointment, the Company employed 13 employees located at the Hotel Quinte, all of whom have continued to work for the Company subsequent to the Date of Appointment.
21. The Receiver has reviewed the potential secured claims pursuant to section 81.4 of the BIA, which totalled approximately \$4,200 (the “**81.4 Claims**”). The Receiver paid the employees accrued wages for the four-day period prior to the Date of Appointment

on June 2, 2011 and, accordingly, the 81.4 Claims are comprised only of accrued vacation pay. The Receiver will comply with its statutory obligations under the BIA in respect of the 81.4 Claims as well as its statutory duties under the *Wage Earners' Protection Program Act*.

Operations

22. Paragraph 3(c) of the Appointment Order authorizes the Receiver to continue to manage, operate, and carry on the business of the Company. Since the Date of Appointment, the Receiver has continued to oversee the operations of the Hotel Quinte, and the provision of its services, including maintaining lodging and room availability.
23. On June 3, 2011, the Receiver obtained a Temporary Transfer Liquor Sales License from the Alcohol and Gaming Commission of Ontario in the name of the Receiver.

Statutory Duties

24. On June 3, 2011, in accordance with subsection 245(1) of the BIA, the Receiver sent a notice of its appointment, in the prescribed form, and its first report pursuant to subsection 246(1) of the BIA to the Company's known creditors and the Superintendent of Bankruptcy.

Website and Hotline

25. The Receiver has established a website at www.pwc.com/ca/en/car/hotel-quinte to post periodic updates and materials with respect to the receivership proceedings. In addition, the Receiver established an information hotline at (416) 687-8518, in the event creditors, suppliers, employees or other stakeholders require information with respect to the receivership proceedings.

Initiation of Sale Process

26. Paragraphs 3(k) and 3(l) of the Appointment Order provide that the Receiver is expressly empowered and authorized to market and sell the assets of the Company, subject to the limitations set forth therein.

27. The Receiver understands that the Hotel Quinte was built in the late 1800s. Given the age of the hotel and issues identified when it took possession of the Property, the Receiver determined that an assessment of the current condition of the Property was advisable in order to determine whether any conditions or issues existed that could potentially impact on the Receiver's ability to sell the Property.
28. Shortly after the Date of Appointment the Receiver contracted Global Property Inspections ("Global") to undertake a property condition assessment of the Property and to prepare a report for the Receiver with respect to the results thereof. On June 8, 2011, Global reported to the Receiver (the "**Property Condition Report**"). The Property Condition Report identified numerous issues with respect to the Property.
29. The Receiver is in the process of addressing and remediating certain of the issues identified in the Property Condition Report that pose health and/or safety concerns. Specifically, the Receiver has engaged various contractors and/or specialists to repair various water leaks, repair unsafe bricks on the chimney and to assess electrical deficiencies and issues related to the boiler used to heat the Property.
30. In addition, in June 2011 the Receiver contracted Pinchin Environmental Ltd. ("Pinchin") to conduct mould and asbestos assessments on the Property. Pinchin issued an Assessment of Mould Growth (in draft) (the "**Mould Report**") and an Assessment of Asbestos (in draft) (the "**Asbestos Report**" and, together the Mould Report, the "**Environmental Reports**") on July 6, 2011.
31. The Receiver has not completed its evaluation of the Environmental Reports. However, based on the Receiver's initial review Pinchin has identified the existence of mould and certain areas of exposed asbestos in and around the Property, which should be treated and / or removed.
32. Pursuant to its powers under the Appointment Order, the Receiver contacted three real estate brokers (the "**Brokers**") and requested proposals in respect of the marketing and sale of the Property. The Receiver received proposals from the each of the Brokers during the week of July 4, 2011. The Receiver is in the process of clarifying certain

aspects of the proposals received and expects to be in a position to negotiate a listing agreement with one of the Brokers shortly.

33. Notwithstanding the issues raised in the Property Condition Report and the Environment Reports, based on its discussions with the Brokers, the Receiver is of the view that it is advisable to carry out a sale and marketing process with respect to the Property forthwith, while the Receiver oversees certain key repairs and remediation efforts related to the Hotel. Accordingly, the Receiver intends to seek this Honourable Court's approval of a sales process and the retention of one of the Brokers, as soon as possible and will report to the Court thereon, shortly.

Restaurant Leases

34. The Receiver understands that all leases in respect of the Restaurants, along with the rental payments thereunder, were assigned as security to the Mortgagee under the Assignment of Rents, and the Company agreed that it would not alter the terms of all present and future leases assigned under the Assignment of Rents, including, without limitation, the amount of rent payable and the length of each lease's term, without the prior written consent of the Mortgagee. General Electric Canada Real Estate Finance Inc. (the "**Mortgagee**") has advised the Receiver that at the date of the Loan Agreement the leases set out in this paragraph were subject to the Assignment of Rents under the Loan Agreement:

- (a) a lease dated July 1, 2004 between Shaheshah Investments Ltd., (the previous owner of the Hotel Quinte) and 1066056 Ontario Inc. ("**106**") (the "**2004 Silk Route Lease**") for the lease of approximately 3,500 square feet, located on the main floor of Hotel Quinte to 106 (the "**Silk Route Restaurant**"). The 2004 Silk Route Lease had an initial term of five years running from July 1, 2004 to June 30, 2009. The gross annual rent due under the 2004 Silk Route Lease was \$60,000 per annum, inclusive of any applicable taxes. A Corporation Profile Report dated May 20, 2011 in respect of 106 (the "**106 Profile Report**") identifies Nazim Jinnah and Alnoor Jinah are 106's directors. Alnoor Jinah is also identified as holding various officer roles (i.e. president, secretary and treasurer) in respect of 106. A copy of the 2004 Silk Route Lease is attached as

Appendix “A”. A copy of the 106 Profile Report is attached as **Appendix “B”**; and

- (b) a lease dated January 1, 2007 between Shaheshah Investments Ltd. and Zeera Holdings Ltd. (“**Zeera**”) (the “**2007 Zeera Lease**” and together with the 2004 Silk Route Lease, the “**2004/2007 Leases**”) for the lease of approximately 2,600 square feet located on the main floor of Hotel Quinte (the “**Café Quinte Restaurant**” and together with the Silk Route Restaurant, the “**Restaurants**”). The 2007 Zeera Lease had a term of approximately five years running from January 1, 2007 to December 31, 2011 with gross annual rent of \$60,000, excluding applicable taxes. A Corporation Profile Report dated July 7, 2011 in respect of Zeera (the “**Zeera Profile Report**”) indicates that Ayesha Jinah and Shahida Jinah are directors in respect of Zeera. The Zeera Profile Report lists Shahida Jinah as president and Ayesha Jinah is listed as secretary and treasurer. A copy of the 2007 Zeera Lease is attached as **Appendix “C”**. A copy of the Zeera Profile Report is attached as **Appendix “D”**.
- 35. Alnoor (aka Alan) Jinah advised the Receiver that the 2004 Silk Route Lease expired on June 30, 2009 and that 106 subsequently occupied the leased premises on a month-to-month basis until May 2010, at which time it sold the Silk Route name to 173 for the amount of \$5,000. The Receiver has been unable to determine the legal entity that operated the Silk Route restaurant and occupied the Silk Route Premises during the period June 2010 to February 28, 2011.
- 36. The Books and Records included a surrender of lease of the 2007 Zeera Lease and a release dated Feb 29, 2008. A copy of the surrender of lease and release are attached as **Appendix “E”**.
- 37. Prior to its appointment as Receiver, the Court issued an endorsement dated May 12, 2011 authorizing PwC to access the Premises for the purpose of reviewing the Books and Records.

38. Pursuant to such review, PwC obtained copies of a number of the Books and Records which included two other leases in respect of the Restaurants, summarized as follows:

(a) a lease dated July 1, 2009 between the Company and 1066056 Ontario Inc. (“**106**”) (the “**2009 Silk Route Lease**”) pursuant to which the Company leased to 106 the Silk Route Restaurant. The 2009 Silk Route Lease has an initial term of three years running from July 1, 2009 to June 30, 2012. The gross annual rent due under the 2009 Silk Route Lease is \$60,000 per annum, inclusive of any applicable taxes. A copy of the 2009 Silk Route Lease is attached as **Appendix “F”**; and

(b) a lease dated June 1, 2008 between the Company and 1769143 Ontario Inc. (“**176**”) (the “**2008 Café Quinte Lease**” and together with the 2009 Silk Route Lease, the “**2008 / 2009 Leases**”) pursuant to which the Company leased the **Café Quinte Restaurant** to 176. The 2008 Café Quinte Lease has a term of approximately ten years running from July 15, 2008 to July 31, 2018 with gross annual rent of \$66,000, excluding applicable taxes. 176 is also entitled to receive additional rents under the 2008 Café Quinte Lease equal to 5% of the amount by which 176’s annual Gross Revenue (as such term is defined in the 2008 Café Quinte Lease) exceeds \$600,000. A Corporation Profile Report dated June 21, 2011 in respect of 176 (the “**176 Profile Report**”) indicates that Priya Padmanabann is the sole director in respect of 176. There are no officers listed in the 176 Profile Report. A copy of the 2008 Café Quinte Lease is attached as **Appendix “G”**. A copy of the 176 Profile Report is attached as **Appendix “H”**.

39. Notwithstanding that PwC was able to obtain copies of the 2008 / 2009 Leases prior to the Date of Appointment copies of these leases were not included in the Books and Records that were provided to PwC upon its appointment as Receiver on May 27, 2011.

40. The Receiver reviewed the Books and Records for the period January 1, 2011 to April 30, 2011 and did not find any receipts and / or deposits that matched the monthly lease payments stipulated in either of the 2008 / 2009 Leases for such period.

41. In addition to the leases in respect of the Restaurants, 173 also leases a portion of the basement of the Hotel Quinte to an organization called Quinte Executive Apartments. Annual rental payments under this lease are \$48,000. The Company's Books and Records indicate that 173 received payments in the amount of \$48,000 under this lease in 2010.
42. The Receiver was able to identify additional rental income in the amount of approximately \$8,000 recorded in the internal financial statements for the fiscal year ended December 31, 2010. This amount is well below the combined annual rent of \$126,000 payable pursuant to the 2008/2009 Leases.
43. The Receiver has been advised by Angela Cartwright, the general manager of the Hotel Quinte ("Cartwright" or the "GM") that the Restaurants have been operated by DeLuca (defined hereinafter) and Suthakaran since at least November 2010, when Cartwright was hired to manage Hotel Quinte.
44. Shortly after the Date of Appointment, Cartwright advised the Receiver that 173 had recently entered into "new" leases in respect of the Restaurants and provided the Receiver with copies of the following leases:
 - (a) a lease dated March 1, 2011 between the Company and 224 (the "Purported New Silk Route Lease"). Under the terms of such lease, the Company purportedly leased the Silk Route Restaurant to 224 for a term of approximately five years running from March 1, 2011 to March 1, 2016. Rent payable under the Purported New Silk Route Lease is in the amount \$36,000 per annum plus HST. The lease provides for rent abatement for a six month period beginning March 1, 2011 and ending September 30, 2011.
 - (i) paragraph 2 of the Purported New Silk Route Lease entitled "Rent" indicates that the rent payable under such lease includes Room 316 o/a Shannonville, a hotel guest room located on the third floor of the Hotel Quinte. However, the section of the lease describing the leased property does not include Room 316 o/a Shannonville. Furthermore, the 2009 Silk Route Lease did not include the rental of Room 316;

- (ii) the Purported New Silk Route Lease was executed by Siva Suthakaran (“**Suthakaran**”) as president of 173 and Jennine De Luca (“**DeLuca**”) as president of 224. The Receiver had understood DeLuca to be a part-time assistant to Suthakaran based on representations made by DeLuca and Suthakaran to PwC, prior to the Date of Appointment; and
- (iii) a Corporation Profile Report dated May 30, 2011 in respect of 224 (the “**224 Profile Report**”) lists DeLuca as a director of 224 and lists Suthakaran as an officer and director of 224. 172’s registered head office is located at 250 Consumers Road, Suite 701, Toronto, Ontario, which is the suite adjacent to the Company’s Head Office. A copy of the Purported New Silk Route Lease is attached as **Appendix “I”**. A copy of the 224 Profile Report is attached as **Appendix “J”**;

(b) A lease dated March 1, 2011 between the Company and 172 (the “**Purported New Café Quinte Lease**” and together with the Purported New Silk Route Lease, the “**Purported New Leases**” and together with the 2008/2009 Leases, the “**Leases**”). Under the terms of the Purported New Café Quinte Lease, the Company purportedly leases the Café Quinte Restaurant to 172 for a term of approximately five years from March 1, 2011 to March 1, 2016. Rent payable under the Purported New Café Quinte Lease is in the amount of \$30,000 per annum plus HST. The lease provides for a rent abatement for the six month period beginning March 1, 2011 and ending September 30, 2011:

- (i) Paragraph 2 of the Purported New Café Quinte Lease entitled “Rent” indicates that the rent payable under such lease includes the Tropicana Banquet Hall (“**Banquet Hall**”), which is the Hotel Quinte’s banquet room. However, the section of the lease describing the leased property does not include the Banquet Hall. Furthermore, the 2008 Café Quinte Lease did not include the rental of the Banquet Hall. The Receiver understands that during the period March 1, 2011 to the Date of Appointment, 173 had been renting out the Banquet Hall and collecting the proceeds for its own account. The GM advised the Receiver that she

was unaware that the Banquet Hall was rented by 172 and at no point in time had she been instructed to segregate or account for the proceeds from the rental of the Banquet Hall; and

- (ii) The Purported New Café Quinte Lease was executed by Suthakaran as president of 173 and DeLuca as president of 172. A Corporate Profile Report on 172 dated May 30, 2011 (the “**172 Profile Report**”) lists DeLuca as an officer (president and secretary) and director of 172. Suthakaran is listed as an officer (chair) of 172. 172’s registered head office is located at 250 Consumers Road, Suite 701, Toronto, Ontario, which is the suite adjacent to the Company’s Head Office. A copy of the Purported New Café Quinte Lease is attached as **Appendix “K”**. A copy of the 172 Profile Report is attached at **Appendix “L”**.

45. The Receiver found no evidence in the Books and Records that either of the 2008/2009 Leases had been terminated or surrendered by 106 or 176.

46. In respect of the Assignment of Rents, Mr. Danny Nowak, Manager Workout/Restructuring with GE, has advised the Receiver that the Mortgagee:

- (a) has not been notified of a termination, cancellation or surrender of any of the 2004 Silk Route Lease or the 2008 / 2009 Leases;
- (b) was not notified of the termination, cancellation or surrender of the 2007 Zeera Lease, although it did receive notice, by means of email correspondence, of the new tenant under the 2008 Cafe Quinte Lease in April 2009, more than one year after the surrender of the 2007 Zeera Lease;
- (c) was not notified of the Company’s intention to enter into any of the Leases, or any assignment of the rights in the tenants under the 2008 / 2009 Leases to the Current Occupants;
- (d) did not consent to the terms of the Purported New Leases, or 224 and 172 as suitable tenants in respect of the Restaurants; and

- (e) did not consent to any amendments to the rental term duration or monthly rental amount as outlined in any of the Leases.

47. On May 31, 2011, the Receiver asked Suthakaran for further information on the status of the 2008 / 2009 Leases and Purported New Leases in respect of the Restaurants. Suthakaran advised the Receiver that 106 and 176 had vacated the Restaurants but there does not appear to be any evidence of any formal termination of the 2008 / 2009 Leases. Suthakaran advised the Receiver that he agreed to a six-month rent abatement in respect of the Purported New Leases in order to secure new tenants for the Restaurants.

48. On May 31, 2011, the Receiver sent an email request to Suthakaran requesting further information on the status of the 2008 / 2009 Leases and Purported New Leases in respect of the Restaurants. However, Suthakaran has not provided any further information to the Receiver in respect thereof, as of the date of this First Report.

Demand Letters

49. On June 9, 2011, the Receiver's counsel issued demand letters to the Current Occupants (the "**Current Occupants Demand Letters**"):

- (a) notifying the Current Occupants that the Purported New Leases were not binding on the Receiver and were of no force or effect; and
- (b) demanding that the Current Occupants pay occupation rent for the period March 1, to June 30, 2011, on or before 5:00 pm on June 20, 2011. As of the date of this First Report, the Receiver had not received any rental amounts from the Current Occupants. Copies of the Current Occupants Demand Letters are attached as **Appendix "M"**.

50. In addition, on June 9, 2011, Receiver's counsel issued demand letters to each of 106 and 176 (the "**Other Demand Letters**") which, among other things, demanded rent payments from such parties in respect of the period from and after March 1, 2011, payable by no later than 5:00 p.m. on June 20, 2011. To date, the Receiver has not

received any payments from either 106 or 176. Copies of the Other Demand Letters are attached as **Appendix “N”**.

Offers of Rent

51. Since June 9, 2011, management of 224 and 172, through their legal counsel, have made a variety of non-binding verbal offers to pay occupation rent including, most recently, an offer to pay a fixed monthly rent in the amount of \$3,000 for the Silk Route Restaurant, which would exclude the rental of Room 316, and \$1,500 for the Café Quinte Restaurant with such payments commencing immediately (the “**Tenant Offer**”). The Tenant Offer was rejected by the Receiver for the following reasons:

- (a) the offered monthly rent in the amount of \$3,000 for the Silk Route Restaurant is a 40% discount from the 2009 Silk Route Lease;
- (b) the offered monthly rent in the amount of \$1,500 for the Café Quinte Restaurant is approximately a 73% discount from the 2008 Café Quinte Lease and a 40% discount from the Purported New Café Quinte Lease rent amount due after the expiry of the rent free period;
- (c) counsel for 172 has advised the Receiver that the Café Quinte Restaurant is currently unprofitable. Accordingly, it is unclear how 172 will be able to fund monthly rent payments, particularly as it appears from the Company’s internal financial statements and bank statements that no rent payments were made in 2011, and minimal, if any, payments were made in 2010 on account of rent in respect of the Café Quinte Restaurant; and
- (d) 224 and 172 have operated the Restaurants since at least March 1, 2011 and have not paid any rent (occupation or otherwise) to 173 either prior to or after the Appointment Order. It also appears that 224 and 172 may have operated the Restaurants in 2010, with minimal, if any, rent payments to 173. Meanwhile, during such period of occupation, 173, and subsequent to the Date of Appointment the Receiver, have funded the cost of utilities such as gas, electricity, water and telephone services, for the Restaurants, without reimbursement.

HEALTH AND SAFETY CONCERNS

52. On the afternoon of June 16, 2011, Union Gas accidentally shut off the gas supply to the Hotel Quinte, which resulted in the Restaurants being unable to operate their stoves. As a result, the Silk Route Restaurant closed on June 16, 2011 and the Café Quinte did not open as scheduled in the morning of June 17, 2011.
53. Union Gas attended at the Hotel Quinte on the evening of June 16, 2011 to reconnect the natural gas supply. At that time, the gas supply to the hot water tanks was reconnected but the Union Gas technician (“**Technician**”) refused to reconnect the gas supply to the Restaurants due to a number of violations of the Ontario Natural Gas Code (the “**Gas Code**”). The Technician indicated that a Union Gas inspector would have to conduct an inspection of Hotel Quinte prior to any re-connection of the gas supply to the Restaurants. A copy of Union Gas’ report dated June 16, 2011 is attached as **Appendix “O”**.
54. On the morning of June 17, 2011, a Union Gas inspector (the “**Inspector**”) attended at Hotel Quinte. Later that day, the gas supply to the Café Quinte Restaurant was reconnected, however the Receiver was advised by the GM that the Inspector issued a verbal warning requiring the owner of the Cafe Quinte Restaurant to clean the stove(s) as the grease build up on the stoves(s) posed a serious fire hazard. The Receiver understands that Cartwright contacted DeLuca and advised her of the Inspector’s warning and the stove(s) were subsequently cleaned.
55. The Inspector also determined that the gas shut off valve and fire suppression valve (together, the “**Valves**”) in the kitchen of the Silk Route Restaurant were inaccessible and did not satisfy certain requirements of the Gas Code. The Receiver understands that the Inspector determined that the Valves would have to be relocated prior to gas supply to the Silk Route Restaurant being reconnected. The Inspector also determined that one of the kitchen stoves/ranges in the Silk Route Restaurant was unsafe and not in compliance with the Gas Code. The Receiver understands that the Inspector verbally advised Cartwright and Chris Chamberlain, the Head of Maintenance at the Hotel Quinte, that the gas supply would not be reconnected until the stove was replaced and the Silk Route Restaurant kitchen cleaned. A copy of the Inspector’s

report entitled Violations – Corrections Required, dated June 17, 2011 (the “**Inspector’s Report**”) is attached as **Appendix “P”**.

56. The Receiver has been advised that the kitchen appliances in the Restaurants are owned by the Current Occupants. As such, the Receiver advised DeLuca, of the Inspector’s Report and the requirement to clean the Café Quinte Restaurant stove, to clean the Silk Route Restaurant kitchen and replace the Silk Route Restaurant stove.
57. The Receiver received two quotes in respect of the relocation of the Valves and engaged Bentley Heating and Air Conditioning (“**Bentley**”) to relocate the Valves.
58. The Silk Route Restaurant remained closed over the weekend.
59. On June 21, 2011, Bentley attended at the Hotel Quinte and relocated the Valves. While in the process of relocating the Valves, Bentley noted that the flex connectors used to connect the appliances to the gas line in the kitchen of the Silk Route Restaurant were not in compliance with the Gas Code. As such, while the Valves had been properly relocated, Bentley did not reconnect the appliances in the kitchen of the Silk Route Restaurant to the gas line.
60. As a result of non-compliance with the Gas Code, the Silk Route Restaurant’s gas supply was not reconnected and therefore, it remained closed at that time.
61. The Receiver’s counsel immediately notified counsel to 224 of the infraction under the Gas Code and 224 arranged for the installation of proper flex connectors, which connectors were installed on June 22, 2011.

Ontario Fire Code Violations – Silk Route Premises

62. During its attendance on June 17, 2011, Bentley advised the Receiver that it had recently been contacted by DeLuca to provide a quote to replace a kitchen hood vent and to repair or replace a kitchen range, both located in the Silk Route Restaurant. Bentley advised the Receiver that it understood that the work was required pursuant to a recent report of the Office of the Fire Marshal (the “**Fire Marshal**”).

63. The Receiver conducted an investigation into such issue and determined that on or about April 27, 2011, Union Gas responded to a smell of natural gas at the Hotel Quinte and detected the presence of carbon dioxide on the premises. Union Gas contacted the Fire Marshal to advise that carbon monoxide may be leaking from the charcoal cooking appliance in the kitchen of the Silk Route Restaurant.
64. The Fire Marshal conducted an inspection and determined that the exterior kitchen exhaust fan of the Silk Route restaurant appeared to be blocked. Hotel employees removed debris from the exhaust fan, which appeared to correct the problem as follow up tests did not detect the presence of carbon monoxide in the Silk Route Restaurant.
65. Pursuant to its inspection, the Fire Marshal issued a fire safety inspection report on June 9, 2011 (the “**Fire Marshal Report**”), notifying the owner / management of the Silk Route Restaurant that its kitchen hood system was in violation of section 2.6.1.12.(1) of the Ontario Fire Code (“**Fire Code**”), which provides that commercial cooking equipment must be provided with exhaust and fire prevention systems in conformance with National Fire Protection Association (“**NFPA**”) Code No. 96, titled “Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations” (“**NFPA 96**”). Pursuant to the Fire Marshal Report, 224 was advised to take steps to immediately correct the violations under the Fire Code and NFPA, which the Receiver understands from subsequent discussions with the Fire Marshall meant replacing the kitchen hood vent, by no later than July 11, 2011.
66. The Receiver understands that the Fire Marshal Report was provided to DeLuca on June 9, 2011. The Receiver did not receive a copy of such report until the GM requested an additional copy from the Fire Marshal on June 21, 2011. A copy of the Fire Marshal Report is attached as **Appendix “Q”**.
67. The Receiver understands that on June 22, 2011, management of 224 arranged for the kitchen appliances in the Silk Route Restaurant to be cleaned as required by the Fire Marshal Report. To that end, the Receiver understands that 224 engaged Bentley to repair the kitchen range that the Fire Marshal had deemed unsafe and to reposition the kitchen appliances under the kitchen vent hood in an attempt to comply with NFPA 96.

68. On June 22, 2011, Bentley advised the Receiver that as a result of the repositioning of the kitchen appliances under the vent hood, the position of the sprinklers in the kitchen of the Silk Route Restaurant was no longer in compliance with the Gas Code or the Fire Code and that such sprinklers would have to be relocated.
69. The Receiver advised DeLuca of the need to reposition the sprinklers and the Receiver understands that 224 arranged for the relocation of the sprinklers. On the afternoon of June 22, 2011, DeLuca provided a copy of the certificate from Mallory's Fire Systems Ltd. (the "**Certificate**") certifying that the sprinklers had been relocated and were in compliance with the Gas Code and the Fire Code. A copy of the Certificate is attached as **Appendix "R"**.
70. The gas supply was re-established and Silk Route Restaurant re-opened on the evening of June 22, 2011.

Follow up Inspection by Fire Marshal

71. The Receiver continued to be concerned about the potential health and safety risks to Hotel Quinte guests from the operation of a kitchen range and/or kitchen hood system in the Silk Route Restaurant that potentially did not meet the Fire Code. Hence, the Receiver contacted the Fire Marshal and requested a follow up inspection to verify that the repositioning of the appliances under the hood vent and the repairs to the kitchen range were sufficient to comply with the Fire Code.
72. The Fire Marshal conducted a further inspection of the Silk Route Restaurant on June 23, 2011.
73. On June 24, 2011 the Fire Marshal advised the Receiver (via email transmission) of the additional deficiencies the Fire Marshal identified, which deficiencies require remediation. A copy of the email from the Fire Marshal ("**Fire Marshal Email**") is attached as **Appendix "S"**, which indicates, among other things that:
 - (a) pursuant to section 9.9.1.2 of the Fire Code, the owner of the Hotel Quinte was required to complete and submit a building audit (the "**Building Audit**"). This audit has been outstanding since 2007. The Fire Marshal advised the

Receiver that its records indicated that the owner of the Hotel Quinte at such time had been notified of and provided with the relevant information in order to complete the Building Audit;

- (b) interior surfaces of the duct work in the kitchen of the Silk Route Restaurant are currently not accessible, as required pursuant to NFPA 96;
- (c) pursuant to NFPA 96, the duct work must be cleaned regularly, which the Fire Marshal recommended be conducted at least once every six months. The Fire Marshal noted that the interior of the hood duct work in the kitchen of the Silk Route Restaurant is extremely dirty and instructed that the duct work be cleaned. The Fire Marshal also requested proof of such a cleaning; and
- (d) the walls and ceiling in the kitchen of the Silk Route Restaurant are discoloured from the vent hood not being able to capture the grease laden vapour and steps need to be taken to eliminate the existing grease from the ceiling and walls.

74. The Fire Marshal advised the Receiver that the remediation of the duct work would not be necessary if the Silk Route Premises was not operational.

75. On July 8, 2011 the Fire Marshal issued a fire safety inspection report (the “**July Fire Marshal Report**”) confirming the deficiencies noted in his email transmission of June 24, 2011. Pursuant to the July Fire Marshal Report, the deficiencies must be remedied on or before August 8, 2011. A copy of the Fire Marshal Report is attached as **Appendix “T”**.

76. The Receiver provided management of 224 with a copy of the email from the Fire Marshal on June 28, 2011. Counsel to the Receiver provided a copy of the July Fire Marshal Report to counsel of 224 on July 13, 2011.

77. The Receiver has been advised by counsel to 224 that, as of the date of this First Report, the deficiencies in respect of the kitchen of the Silk Route Restaurant as identified in the Fire Marshal Email and the July Fire Marshal Report have not been remediated or repaired.

78. Based on the numerous violations and warnings recently reported under the Ontario Fire Code and Gas Code the Receiver has concerns in respect of the ongoing operation of the Restaurants.
79. While 224 has taken steps to remediate violations under the Fire Marshal Report and the Inspector's Report, the violations in respect of the kitchen of the Silk Route Restaurant as noted in the Fire Marshal Email have not been remediated. In addition, the Fire Marshal Email indicated that other violations to the Gas Code may be identified once the Fire Marshal is able to gain access to the duct work in the kitchen of the Silk Route Restaurant.
80. The Receiver is also concerned that the Building Audit that is now underway will identify additional deficiencies under the Fire Code in the Restaurants.
81. The Receiver is concerned that should the Current Occupants be unable to or choose not to fund the costs of remediating the violations under the Fire Code and/or Gas Code, as is the tenant's responsibility, the financial burden and liability for ensuring that the Premises meet the Fire Code and the Gas Code, will fall on the Receiver.
82. Pursuant to section 1.2.1.1. of the Fire Code, unless otherwise specified, the owner of a building is required to carry out the provisions of the Fire Code and violations under the Fire Code are subject to fines of up to \$100,000 for each offence.

Sale of Property

83. As reported in paragraphs 32 and 33 of this First Report, the Receiver is in the process of listing the Hotel Quinte for sale. The Receiver has consulted with one of the Brokers and is of the view that the occupation and continued operation of the Restaurants is not necessary to maximize value in respect of a sale of the Hotel Quinte. 224 and 172 are currently not paying occupation rent and have not paid occupation rent since at least March, 2011 and possibly since sometime in 2010. Additionally, as a result of the numerous health and safety concerns noted above, and given such issues have been in existence well before the Date of Appointment, the Receiver has no comfort that the Current Occupants will remedy existing deficiencies in a timely manner. Therefore,

the Receiver is of the view that the ongoing operation of the Restaurants is not essential for the sale of the Hotel Quinte.

CONCLUSION

84. The Fire Marshal and Inspector have identified a number of violations under the Gas Code and the Fire Code in the Restaurants, which present a safety concern for customers and hotel guests.
85. While the management of 224 and 172 has taken certain steps to remedy the initial violations and deficiencies isolated up to and including June 22, 2011, and are currently operating the Restaurants, the July Fire Marshal Report identified a number of additional violations of NFPA 96 and suggested that further violations under NFPA 96 may be forthcoming when the fan unit and duct work in the kitchen in the Silk Route Restaurant become accessible.
86. The Receiver is concerned about the potential health and safety risk to customers of the Restaurants and guests of the Hotel Quinte and the obligations of the Receiver under the Fire Code and/or Gas Code if the Restaurants continue to operate and are not in compliance with the Gas Code and/or the Fire Code.
87. The potential health and safety risks noted above, including dealing with the violations of the Gas Code, Fire Code and/or NFPA could give rise to significant additional costs, including additional professional costs associated with the Receiver's dealings with the Current Occupants, the Fire Marshal and others.
88. Under Section 1.2.1.1. of the Fire Code it is the responsibility of the owner of a building to ensure that the building is in compliance with the Fire Code. The Receiver is not prepared to accept the risk that it will be responsible for remediating these violations should the Current Occupants choose not to fund the required remediation and repairs. Furthermore, Mr. Danny Nowak of GE has advised the Receiver that GE, as Mortgagee, is not prepared to fund the Receiver for these costs.
89. The Current Occupants have not paid any occupation rent to 173 or the Receiver since at least March 1, 2011. Moreover, it appears that 173 did not receive rent payments in

respect of the Restaurants for the majority of the year ended December 31, 2010, although the Receiver has been advised that DeLuca and Suthakaran were managing the Silk Route Restaurant for some portion of 2010. The Company and / or Receiver have continued to fund the utilities without reimbursement, during this period.

90. The Current Occupants have made the Tenant Offer to pay monthly rent commencing July 2011 in respect of the Restaurants at significant discounts when compared to the 2008/2009 Leases.
91. The Mortgagee was not advised of a termination, cancellation or surrender of the 2008/2009 Leases nor did the Mortgagee consent to the Purported New Leases as required under the Assignment of Rents.
92. In conclusion, the Receiver supports the Mortgagee's motion to, among other things:
 - (a) declare that the Leases are void as against the Mortgagee and are not binding on the Mortgagee or Receiver; and
 - (b) terminate the occupation of the Restaurants by the Current Occupants and declaring that the Mortgagee is immediately entitled to vacant possession of the Restaurants.

All of which is respectfully submitted on this 14th day of July, 2011.

PRICEWATERHOUSECOOPERS INC.
in its capacity as Receiver of 1733073 Ontario Inc.
and not in its personal capacity



Greg Prince
Senior Vice President



Michelle Pickett
Vice President

Appendix A

THIS LEASE made the 1st day of July, 2004.

BETWEEN:

SHAHESHAH INVESTMENTS LTD., a Corporation under the Laws of Ontario,

(hereinafter called the "Landlord")

of the FIRST PART

- and -

1066056 ONTARIO INC., a Corporation under the Laws of Ontario, operating as "THE SILK ROUTE RESTAURANT",

(hereinafter called the "Tenant")

of the SECOND PART

IN CONSIDERATION of the rents to be paid and the covenants and agreements hereinafter provided for, the Landlord and the Tenant, hereby agree as follows:

Leased Premises:

Certain premises (the "leased premises") having an area of approximately 3,500 square feet, facing west and north on Pinnacle Street, located on the main floor of the Landlord's property located municipally at 211 Pinnacle Street, Belleville, Ontario, and more particularly set out in the attached Schedule "A" comprising a diagram of the Leased Premises.

No additional area shall be added to the area of the Leased Premises for the use of the Tenant or in common with other tenants and occupants of the building.

Use:

The Tenant shall use the Leased Premises for the operation of a restaurant business and such activities which relate to such restaurant business.

Delivery of Premises:

The Landlord shall deliver the Leased Premises to the Tenant, "as is". The Landlord shall undertake at its expense, during the term of the Lease and including any subsequent or renewal terms herein, to ensure the delivery of heating, ventilation and electrical services are brought to the Leased Premises and the Landlord shall be further responsible for all required maintenance, upkeep, of all heating, ventilation, air conditioning and electrical supply and equipment to the Lease Premises.

Fixturing Period:

The Landlord shall provide the Tenant vacant possession of the Leased Premises on or about July 1st, 2004 for the purposes of outfitting and fixturing the Leased Premises (the "Fixturing Period").

Term:

The lease shall be for an initial term of five (5) years commencing July 1, 2004 and terminating June 30th, 2009, and, provided the Tenant is not in default of its obligations

under this Lease herein, the Tenant shall have the sole and exclusive right to renew the said Lease (which said right shall be exercised by written notice to the Landlord three (3) months prior to the expiry of the term herein), for an additional three (3) year term, which said additional term shall commence July 1st, 2009 and shall thereafter terminate June 30th, 2012.

Gross Rent:

The Landlord and Tenant agree, that the rents payable by the Tenant to the Landlord shall be all inclusive of all utilities and other operating and service costs as set out herein (which said costs shall be entirely the Landlord's responsibility). During the term of the Lease herein, the Tenant shall pay to the Landlord the sum of Five Thousand (\$5,000.00) Dollars per month, totaling Sixty Thousand (\$60,000.00) Dollars per year, for the use of the said premises which shall include, all "operating costs" of the Tenant with respect to the said premises and "operating costs" shall mean, all hydro, water, gas, heating, air conditioning, parking lot cleaning, maintenance and snow removal, insurance, together with the full and exclusive use of all sidewalks, passageways, entrances and all other services and utilities as may be provided to the premises. The Tenant shall be responsible for maintaining all equipment in the leased premises and the Landlord shall be responsible for maintaining all structural and fixed items. The Landlord shall be fully responsible for all property taxes associated with the Leased Premises. The Landlord's obligations shall continue during any renewal period.

Rental Amount During Renewal Period:

In the event the Tenant exercises its right to renew the said Lease as set out hereinabove, for the period July 1st, 2009, to and including June 30th, 2012, the said rental amount, shall then be in the amount of Five Thousand, Six Hundred and Twenty-Five (\$5,625.00) Dollars per month, payable on the first day of each month during such renewal period, and totaling Sixty-Seven Thousand, Five Hundred (\$67,500.00) Dollars per annum, with all of the other terms and conditions of this Lease applying to such renewal period.

Maintenance:

The Landlord covenants to maintain the building, including without limitation, the common areas, in accordance with current and first class practices, as would a prudent owner of a similar building. Furthermore, the Landlord covenants, through the term, not to materially adversely affect (i) the access to and vista of the Leased Premises, (ii) the Tenant's business operations therein, and (iii) the overall nature of the Building.

Signage:

The Tenant shall have the exclusive right to install signage, including illuminated signs on the exterior walls of the Leased Premises. Such installation shall comply with the municipal by-laws applicable thereto. The Tenant shall have the right have its signs made and installed by a contractor of its choice and shall be under no obligation to rent them from anyone whomsoever.

The Landlord shall not obstruct or reduce the visibility of the Tenant's signage and neither allow nor tolerate that such signage be obstructed or the visibility of same be reduced. The Landlord shall ensure that all existing signage used for the benefit of the Tenant, shall continue as part of the Landlord's obligations herein.

Telephone Service Usage:

The Landlord agrees herein that it shall continue the current use of its telephone services by the Tenant - for the benefit of the Tenant, failing which the Landlord shall be required to

provide the Tenant with replacement telephone services, at the Landlord's expense.

Assignment, Subletting:

The Tenant shall have the right to assign the lease or to sublet the Leased Premises, in whole or in part, subject to the prior written consent of the Landlord which shall not be refused without serious reasons.

Business Hours:

The Landlord shall not have any control on the Tenant's business hours and shall not have the right to force the Tenant to operate its business in the Leased Premises. The vacancy of the Leased Premises shall not constitute a default in virtue of the Lease provided the Tenant is not in default of its rental obligations.

Termination:

The Tenant shall, at his sole option, be permitted to terminate this lease without bonus or penalty on six (6) months notice to the Landlord in the event of:

- (i) the principal shareholder or shareholders of the Tenant dies;
- (ii) the principal shareholder or shareholders of the Tenant suffers a catastrophic injury or illness to the extent he or she can no longer carry on business as a restaurant.

Tenant's Improvements:

The Tenant shall have the right from time to time, at its expense, to make improvements or additions to the Leased Premises. Nevertheless, if such improvements or additions shall affect the structure of the building and/or its mechanical systems, the Tenant shall then obtain the Landlord's prior consent which shall not be refused without serious reasons.

The Tenant shall remain at all times sole owner of all its improvements to the Leased Premises, including any and all light fixed equipment installed therein. The Tenant shall have the right to remove or replace any improvements and equipment at any time, during or at the expiry of the lease.

Parking:

The Tenant shall be entitled to parking spaces presently allocated to it available for use by the Tenant, and its customers, at 211 Pinnacle Street, Belleville, Ontario.

The parties agree that this lease shall be binding upon their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease this 1st day of July, 2004.

SIGNED, SEALED & DELIVERED
in the presence of

1066056 ONTARIO INC.
Operating as Silk Route
Restaurant

) Authorized Signing Officer
I have authority to bind the
Corporation.

SHAFESHAH INVESTMENTS LTD.

Appeshawin
Authorized Signing Officer
I have authority to bind the
Corporation.

Appendix B

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
Time Report Produced: 13:45:58
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1066056	1066056 ONTARIO INC.		1994/02/15
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
211 PINNACLE STREET		NOT APPLICABLE	NOT APPLICABLE
		New Amal. Number	Notice Date
BELLEVILLE ONTARIO CANADA K8N 3A7		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
211 PINNACLE STREET		Revival Date	Continuation Date
BELLEVILLE ONTARIO CANADA K8N 3A7		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	00001 00010	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
Time Report Produced: 13:45:58
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CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Corporate Name History

1066056 ONTARIO INC.

Effective Date

1994/02/15

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

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

ALNOOR

JINAH

Address

R.R. #4
STIRLING
ONTARIO
CANADA K0K 3E0

Date Began

1994/02/16

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
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CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

ALNOOR

JINAH

Address

STIRLING
ONTARIO
CANADA K0K 3E0

Date Began

1994/02/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ALNOOR

JINAH

Address

STIRLING
ONTARIO
CANADA K0K 3E0

Date Began

1994/02/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
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CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

ALNOOR

JINAH

Address

STIRLING
ONTARIO
CANADA K0K 3E0

Date Began

1994/02/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

NAZIM

JINNAH

Address

166 BRIDGE STREET EAST

BELLEVILLE
ONTARIO
CANADA K8N 1N1

Date Began

1994/07/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Resident Canadian

Y

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
Time Report Produced: 13:45:58
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CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

NAZIM

JINNAH

Address

166 BRIDGE STREET EAST

BELLEVILLE
ONTARIO
CANADA K8N 1N1

Date Began

1994/07/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

NAZIM

JINNAH

Address

166 BRIDGE STREET EAST

BELLEVILLE
ONTARIO
CANADA K8N 1N1

Date Began

1994/07/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
Time Report Produced: 13:45:58
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CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

NAZIM

JINNAH

Address

166 BRIDGE STREET EAST

BELLEVILLE
ONTARIO
CANADA K8N 1N1

Date Began

1994/07/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 013189372
Transaction ID: 44397447
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/20
Time Report Produced: 13:45:58
Page: 7

CORPORATION PROFILE REPORT

Ontario Corp Number

1066056

Corporation Name

1066056 ONTARIO INC.

Last Document Recorded

Act/Code Description	Form	Date
CIA ANNUAL RETURN 2009	1C	2010/04/10

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Appendix C

THIS LEASE made the 1st day of January, 2007.

BETWEEN:

SHAHESHAH INVESTMENTS LTD., a Corporation under the Laws of Ontario,

(hereinafter called the "Landlord")

of the FIRST PART

- and -

ZEERA HOLDINGS LTD., a Corporation under the Laws of Ontario, operating as "Cora's Restaurant",

(hereinafter called the "Tenant")

of the SECOND PART

IN CONSIDERATION of the rents to be paid and the covenants and agreements hereinafter provided for, the Landlord and the Tenant, hereby agree as follows;

Leased Premises:

Certain premises (the "leased premises") having an area of approximately 2,600 square feet, facing south on Bridge Street, located on the main floor of the Landlord's property located municipally at 211 Pinnacle Street, Belleville, Ontario, and more particularly set out in the attached Schedule "A" comprising a diagram of the Leased Premises.

No additional area shall be added to the area of the Leased Premises for the use of the Tenant or in common with other tenants and occupants of the building.

Use:

The Tenant shall use the Leased Premises for the operation of a restaurant business and such activities which relate to such restaurant business.

Delivery of Premises:

The Landlord shall deliver the Leased Premises to the Tenant, "as is". The Landlord shall undertake at its expense, during the term of the Lease and including any subsequent or renewal terms herein, to ensure the delivery of heating, ventilation and electrical services are brought to the Leased Premises and the Landlord shall be further responsible for all required maintenance, upkeep, of all heating, ventilation, air conditioning and electrical supply and equipment to the Lease Premises.

Fixturing Period:

The Landlord shall provide the Tenant vacant possession of the Leased Premises on or about January 1st, 2007 for the purposes of outfitting and fixturing the Leased Premises (the "Fixturing Period").

Term:

The lease shall be for an initial term of five (5) years commencing January 1st, 2007 and terminating December 31st, 2011, and, provided the Tenant is not in default of its obligations under this Lease herein, the Tenant shall have the sole and exclusive right to

renew the said Lease (which said right shall be exercised by written notice to the Landlord three (3) months prior to the expiry of the term herein), for two (1) successive five (5) year terms.

The second term, commencing January 1, 2012, to and including December 31st December, 2016

Gross Rents:

The Landlord and Tenant agree herein that the Rents shall be all inclusive of all utility and other operating and service costs as set out herein below (which said costs shall be entirely the Landlord's responsibility) payable by the Tenant to the Landlord shall be as follows:

<u>Dates:</u>	<u>Monthly:</u>	<u>Total Yearly:</u>
Jan. 1, 2007 to Dec. 31, 2011	\$5,000.00	\$60,000.00
Jan. 1, 2012 to Dec. 31, 2016	\$5,625.00	\$67,500.00

The Landlord and Tenant agree, that during the term of the Lease herein, the Tenant shall pay to the Landlord the sum of Five Thousand (\$5,000.00) Dollars per month, totaling Sixty Thousand (\$60,000.00) Dollars per year, for the use of the said premises and all "operating costs" of the Tenant with respect to the said premises and "operating costs" shall mean, all hydro, water, gas, heating, air conditioning, parking lot cleaning, maintenance and snow removal, insurance, together with the full and exclusive use of all sidewalks, passageways, entrances and all other services and utilities as may be provided to the premises. The Tenant shall be responsible for maintaining all equipment in the leased premises and the Landlord shall be responsible for maintaining all structural and fixed items. The Landlord shall be fully responsible for all property taxes associated with the Leased Premises. The Landlord's obligations shall continue during any renewal period.

Rental Amount During Renewal Period:

In the event the Tenant exercises its right to renew the said Lease as set out hereinabove, for the period January 1st, 2012, to and including December 31st, 2016, the said rental amount shall then be in the amount of Five Thousand, Six Hundred and Twenty-Five (\$5,625.00) Dollars per month, payable on the first day of each month during such renewal period, and totaling Sixty-Seven Thousand, Five Hundred (\$67,500.00) Dollars per annum, with all of the other terms and conditions of this Lease applying to such renewal.

Maintenance:

The Landlord covenants to maintain the building, including without limitation, the common areas, in accordance with current and first class practices, as would a prudent owner of a similar building. Furthermore, the Landlord covenants, through the term, not to materially adversely affect (i) the access to and vista of the Leased Premises, (ii) the Tenant's business operations therein, and (iii) the overall nature of the Building.

Signage:

The Tenant shall have the exclusive right to install signage, including illuminated signs on the exterior walls of the Leased Premises. Such installation shall comply with the municipal by-laws applicable thereto. The Tenant shall have the right to have its signs made and installed by a contractor of its choice and shall be under no obligation to rent them from anyone whomsoever.

The Landlord shall not obstruct or reduce the visibility of the Tenant's signage and neither allow nor tolerate that such signage be obstructed or the visibility of same be reduced. The Landlord shall ensure that all existing signage used for the benefit of the Tenant, shall continue as part of the Landlord's obligations herein.

Telephone Service Usage:

The Landlord agrees herein that it shall continue the current use of its telephone services by the Tenant - for the benefit of the Tenant, failing which the Landlord shall be required to provide the Tenant with replacement telephone services, at the Landlord's expense.

Assignment, Subletting:

The Tenant shall have the right to assign the lease or to sublet the Leased Premises, in whole or in part, subject to the prior written consent of the Landlord which said consent shall not be unreasonably withheld.

Business Hours:

The Landlord shall not have any control on the Tenant's business hours and shall not have the right to force the Tenant to operate its business in the Leased Premises. The vacancy of the Leased Premises shall not constitute a default in virtue of the Lease provided the Tenant is not in default of its rental obligations.

Termination:

The Tenant shall, at his sole option, be permitted to terminate this lease without bonus or penalty on six (6) months notice to the Landlord in the event of:

- (i) the principal shareholder or shareholders of the Tenant dies;
- (ii) the principal shareholder or shareholders of the Tenant suffers a catastrophic injury or illness to the extent he or she can no longer carry on business as a restaurant.

Tenant's Improvements:

The Tenant shall have the right from time to time, at its expense, to make improvements or additions to the Leased Premises. Nevertheless, if such improvements or additions shall affect the structure of the building and/or its mechanical systems, the Tenant shall then obtain the Landlord's prior consent which shall not be refused without serious reasons.

The Tenant shall remain at all times sole owner of all its improvements to the Leased Premises, including any and all light fixed equipment installed therein. The Tenant shall have the right to remove or replace any improvements and equipment at any time, during or at the expiry of the lease.

Insurance:

The Tenant covenants with the Landlord that, it shall not permit or suffer to be done anything whereby any policy of insurance on the premises may become void or voidable or whereby the rate of premium thereof may be increased, and to repay the Landlord, on demand, all sums paid by increased premiums and all expenses incurred by the Landlord in connection with any renewal or replacement of the policy rendered necessary by breach of this covenant.

Parking:

The Tenant shall be entitled to parking spaces presently allocated to it available for use by the

Tenant, and its customers, at 211 Pinnacle Street, Belleville, Ontario.

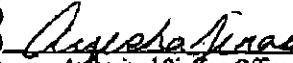
The parties agree that this lease shall be binding upon their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease this 1st day of January, 2007.

SIGNED, SEALED & DELIVERED)
in the presence of)

) ZEERA HOLDINGS INC.
) Operating as Cora's
) Restaurant
)

) 
) Authorized Signing Officer
) I have authority to bind the
) Corporation.
)

) SHAHESHAH INVESTMENTS LTD.
) 
) Authorized Signing Officer
) I have authority to bind the
) Corporation.
)

Appendix D

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
Time Report Produced: 08:27:32
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1493200	ZEERA HOLDINGS LTD.		2001/09/20
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
ALNOOR JINAH 217 PINNACLE STREET		NOT APPLICABLE	NOT APPLICABLE
		New Amal. Number	Notice Date
BELLEVILLE ONTARIO CANADA K8N 3A7		NOT APPLICABLE	NOT APPLICABLE
Letter Date			
Mailing Address		NOT APPLICABLE	
ALNOOR JINAH 217 PINNACLE STREET		Revival Date	Continuation Date
BELLEVILLE ONTARIO CANADA K8N 3A7		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced In Ontario	Date Ceased in Ontario
NOT AVAILABLE	00001 00010	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
Time Report Produced: 08:27:32
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CORPORATION PROFILE REPORT

Ontario Corp Number

1493200

Corporation Name

ZEERA HOLDINGS LTD.

Corporate Name History

ZEERA HOLDINGS LTD.

Effective Date

2001/09/20

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

SHAHIDA IN TRUST
JINAH

Address

211 PINNACLE STREET
BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began First Director

2001/09/20 YES

Designation Officer Type Resident Canadian

DIRECTOR Y

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
Time Report Produced: 08:27:32
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CORPORATION PROFILE REPORT

Ontario Corp Number

1493200

Corporation Name

ZEERA HOLDINGS LTD.

Administrator:

Name (Individual / Corporation)

AYESHA

JINAH

Address

211 PINNACLE STREET

BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began

2001/09/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

AYESHA

JINAH

Address

211 PINNACLE STREET

BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began

2001/09/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
Time Report Produced: 08:27:32
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CORPORATION PROFILE REPORT

Ontario Corp Number

1493200

Corporation Name

ZEERA HOLDINGS LTD.

Administrator:

Name (Individual / Corporation)

AYESHA

JINAH

Address

211 PINNACLE STREET

BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began

2001/09/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

SHAHIDA

JINAH

Address

211 PINNACLE ST

BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began

2001/09/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
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CORPORATION PROFILE REPORT

Ontario Corp Number

1493200

Corporation Name

ZEERA HOLDINGS LTD.

Administrator:

Name (Individual / Corporation)

SHAHIDA

JINAH

Address

211 PINNACLE ST

BELLVILLE
ONTARIO
CANADA K8N 3A7

Date Began

2001/09/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 013316426
Transaction ID: 44790614
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/07/07
Time Report Produced: 08:27:32
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

1493200

Corporation Name

ZEERA HOLDINGS LTD.

Last Document Recorded

Act/Code Description	Form	Date
CIA ANNUAL RETURN 2009	1C	2010/05/08

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Appendix E

ZEERA HOLDINGS LTD

February-29-2008

211 Pinnacle Street
Belleville, ON
K8N 3A7

To the Landlord of 211 Pinnacle Street,

Enclosed please find the keys to the former Cora's Breakfast & Lunch Restaurant located on the main floor of the building on the East side. The keys given include all exterior door locks, all fridge and freezer keys, storage area keys and bar area keys.

The alarm code for the restaurant is 1206. There is only one terminal for which this code is required, just inside the entrance from the lobby on the left side.

Please be advised that I have documented the condition of the chattels as being in excellent working condition. For your information, four items were returned to Cora's head office when the debranding occurred: the coffee machine was sent back as it was a lease arranged through Cora's, the industrial blenders were returned to Cora's head office, the Sysco router was returned via Cora's debranding team and all credit card machines were returned as they were leased from Desjardins under the operation of Cora's. Paperwork is present through Cora's head office for all the above named equipment. For any further enquiries please contact Greg at gjohnson@chezcora.com.

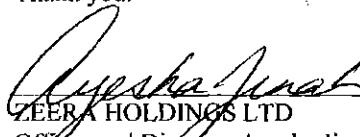
I also confirm that the following maintenance items, which had previously been directed to the Landlord, remain outstanding and are now the responsibility of the Landlord:

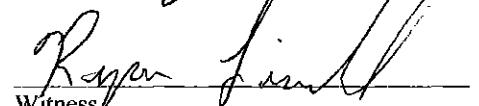
- Toilet in women's washroom .
- Faucet in the back kitchen
- Center heat lamp on the pass through does not turn on
- Back door does not sit in door frame securely

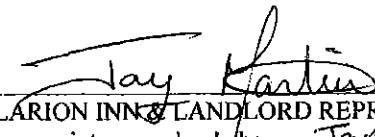
Also please be advised that the dishwasher is the only leased item still remaining in the restaurant. The owner of the equipment has been advised that the equipment is no longer required and awaits the decision of the Landlord as to whether to disassemble and remove the equipment or to begin a new lease. Please also note that all unused chemicals have been stored under the direction of the sales associate. The contact information for the said associate is: Johnson & Diversey: David Seguin @ 1 - 877 - 668 - 7171 ext 3072.

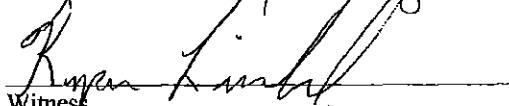
Please take note that the tenant's content and liability insurance has been cancelled, effective as of the end of the business day on February 29th, 2008.

Thank you.


Ayesha Jinah
ZEERA HOLDINGS LTD
Officer and Director, Ayesha Jinah


Witness
Please print name clearly here: Ryan
Lisenchuk


Jay Martin
CLARION INN & LANDLORD REPRESENTATIVE
Please print name clearly here: Jay Martin

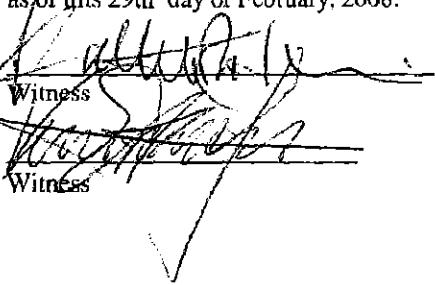

Witness
Please print name clearly here: Ryan
Lisenchuk

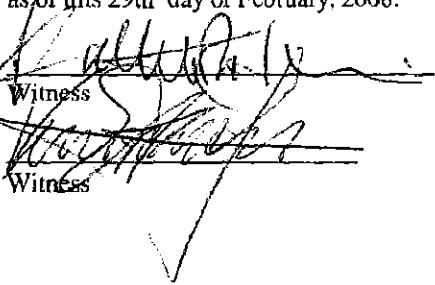
R E L E A S E

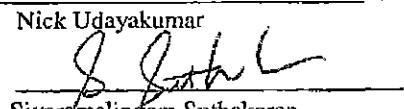
Subject to the terms of the full surrender of lease dated February 29, 0008, the undersigned in consideration of \$2.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby remise, release, and forever discharge ZEERA HOLDINGS INC., ALNOOR JINAH, SHAHIDA JINAH, AYESHA JINAH AND SHAHESHAH INVESTMENTS LTD. in connection solely to the lease dated January 1, 2007 with Zeera Holdings Inc. (hereinafter referred to as "the releasees"), and their heirs, executors, administrators, successors and assigns, of and from all manner of actions, causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, claims and demands whatsoever which against the releasees the undersigned ever had, now has, or which the heirs, executors, administrators, successors or assigns, or any of them of the undersigned, hereafter can, shall or may have for or by reason of any cause, matter or thing whatsoever existing up to the present time.

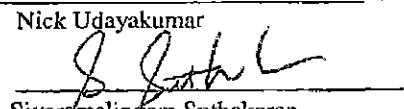
AND FOR THE SAID CONSIDERATION the undersigned further agrees not to make any claim or take any proceedings against any other person or corporation who might claim contribution or indemnity under the provisions of the Negligence Act and the Amendments thereto from the person, persons or corporation discharged by this release.

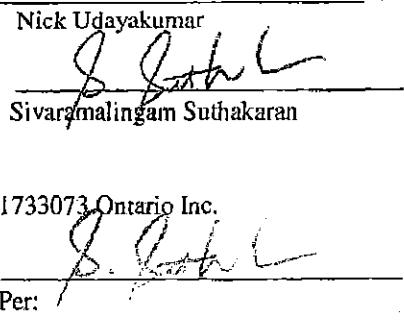
IN WITNESS WHEREOF this Release has been executed by the undersigned under its hand and seal as of this 29th day of February, 2008.


Witness


Witness


Nick Udayakumar


Sivarajalingam Suthakaran


1733073 Ontario Inc.

Per:

I have the authority to bind the
Corporation.

Appendix F

THIS LEASE made the 1st day of July 2009.

BETWEEN:

1733073 ONTARIO INC., a Corporation
under the Laws of Ontario,

(hereinafter called the "Landlord")

of the FIRST PART

- and -

1066056 Ontario Inc, a Corporation
Under the laws of Ontario, operating as
"THE SILK ROUTE RESTAURANT"

(hereinafter called the "Tenant")

of the SECOND PART

IN CONSIDERATION of the rents to be paid and the covenants and agreements hereinafter provided for, the Landlord and the Tenant, hereby agree as follows;

Leased Premises:

Certain premises (the "leased premises") having an area of approximately 3,500 square feet, facing west and north on Pinnacle Street main floor of the Landlord's property located municipally at 211 Pinnacle Street, Belleville, Ontario, and more particularly set out in the attached Schedule "A" comprising a diagram of the Leased premises.

No additional area shall be added to the area of the Leased premises for the use of the Tenant or in common with other tenants and occupants of the building.

Use:

The Tenant shall use the Leased Premises for the operation of a restaurant business and such activities which relate to restaurant business.

Term:

The lease shall be for an initial term of three (3) years commencing July 1, 2009 and terminating June 30, 2012, and, provided the Tenant is not in default of its obligations under this Lease herein, the Tenant shall have the sole and exclusive right to renew the said Lease (which said right shall be exercised by written notice to the Landlord three (3) months prior to the expiry of the term herein), for an additional three (3) year term, which said additional term shall commence July 1, 2012 and shall thereafter terminate July 31, 2015.

Gross Rent:

The Landlord and Tenant agree, that the rents payable by the Tenant to the Landlord shall be all inclusive of all utilities and other operating and service costs as set out herein (which said costs shall be entirely the Landlord's responsibility). During the term of the Lease herein, the Tenant shall pay to the Landlord the sum of Five Thousand (\$5,000.00) Dollars per month, totaling Sixty Thousand (\$60,000.00) Dollars per year, for the use of the said premises which shall include, all "operating costs" of the Tenant with respect to the said premises and "operating costs" shall mean, all hydro, water, gas, heating, air conditioning, parking lot cleaning, maintenance and snow removal, insurance, together with the full and exclusive use of all sidewalks, passageways, entrances, and all other services and utilities as may be provided to the premises. The Landlord shall be responsible for maintaining all structural and fixed items. The Landlord shall be fully responsible for all property taxes associated with the Leased Premises. The Landlord's obligations shall continue during any renewal period.

Rental Amount During Renewal Period:

In the event the Tenant exercises its right to renew the said Lease (subject to the severance of the lease as set out herein above) for the period July 1st, 2012, the said rental amount shall then be in the amount of Five Thousand Six Hundred and Twenty Five (\$5625.00) dollars per month payable on the first day of each month during such renewal period and totaling Sixty-Seven Thousand Five Hundred (\$67500.00) dollars per annum with all of the other terms and conditions of this Lease applying to such renewal period.

Maintenance:

The Landlord covenants to maintain the building, including without limitation, the common areas, in accordance with current and first class practices, as would a prudent owner of a similar building. Furthermore, the Landlord covenants, through the term, not to materially adversely affect (i) the access to and vista of the Leased Premises, (ii) the Tenant's business operations therein, and (iii) the overall nature of the Building.

Signage:

The Tenant shall have the exclusive right to install signage, including illuminated signs on the exterior walls of the Leased Premises; such installation shall comply with the municipal by-laws applicable.

Telephone Service Usage:

The Landlord agrees herein that it shall continue the current use of its telephone services by the Tenant – for the benefit of the Tenant, failing which the Landlord shall be required to provide the Tenant with replacement telephone services, at the Landlord's expense. The Landlord also consents that the suite will have access to an internet line without charge and further consents that the tenant will be allowed to use VOIP phone lines; the equipment to be supplied at the tenant's expense.

Assignment, Subletting:

The Tenant shall have the right to assign the lease or to sublet the Leased Premises, in whole or in part, subject to the prior written consent of the Landlord which shall not be refused without serious reasons.

Business Hours:

The Landlord shall not have any control on the Tenant's hours and shall not have the right to force the Tenant to operate its business in the Leased Premises. The vacancy of the Leased Premises shall not constitute a default in virtue of the Lease provided the Tenant is not in default of its rental obligations.

Termination:

The Tenant shall, at his sole option, be permitted to terminate this lease without bonus or penalty on three (3) months notice to the Landlord in the event of:

- (i) the principal shareholder or shareholders of the Tenant dies;
- (ii) The principal shareholder or shareholders of the Tenant suffers a catastrophic injury or illness to the extent he or she can no longer carry on occupying the premises.

Tenant's Improvements:

The Tenant shall have the right from time to time, at its expense, to make improvements or additions to the Leased Premises. Nevertheless, if such improvements or additions shall affect the structure of the building and/or its mechanical systems, the Tenant shall then obtain the Landlord's prior consent which shall not be refused without serious reasons.

The Tenant shall remain at all times sole owner of all its improvements to the Leased Premises, including any and all light fixed equipment installed therein. The Tenant shall have the right to remove or replace any improvements and equipment at any time, during or at the expiry of the lease.

Contents:

The Landlord acknowledges that the prayer hall has its own furnishings with religious value and attachment to it and at the termination of the lease, those items will be removed.

Parking:

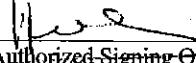
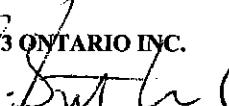
The Tenant shall be entitled to parking spaces presently allocated to it available for use by the Tenant, at 211 Pinnacle Street, Belleville, Ontario.

The parties agree that this lease shall be binding upon their respective heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease this 28 day of June 2009.

SIGNED, SEALED & DELIVERED

In the presence of

-)
-)
-) 1066056 Ontario Inc
-) Operating as Silk Route Restaurant
-)
-) 
-) Authorized Signing Officer
-) I have authority to bind the
-) Corporation.
-)
-)
-) 1733073 ONTARIO INC.
-) 
-) Authorized Signing Officer
-) I have authority to bind the
-) Corporation.

Appendix G

THIS LEASE made as of the 1st day of June, 2008,

BETWEEN:

1733073 Ontario Inc. o/a Clarion Inn and Suites
(the "Landlord")

AND

1769143 Ontario Inc. o/a Golden Griddle Family Restaurant
(the "Tenant")

AND

Priya Padmanabhan
(the "Guarantor").

THIS INDENTURE WITNESSETH THAT IN CONSIDERATION of the covenants and agreements hereinafter mentioned, the parties do hereby agree as follows:

1. Premises and Term

1.1 Premises: The Landlord hereby leases to the Tenant an area of approximately 2,600 square feet, facing south on Bridge Street, located on the main floor of the Landlord's hotel property, municipally located at 211 Pinnacle Street, Belleville, Ontario, including all structures and improvements thereon (the "Premises"). The Tenant accepts the Premises in its "as is" condition.

1.2 Term: To have and to hold the Premises unto the Tenant for the term (the "Term") from July 15, 2008 to and including July 31, 2018.

2. Rent

2.1 Rent: The Tenant agrees to pay to the Landlord, as rent for the Premises, the sum of \$66,000.00 per annum, payable in monthly installments on the first day of each month of the Term, in advance, such payments to be in the amount of \$5,500.00 per month, commencing on the 15th day of July, 2008. If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month. Rent and other amounts payable hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

2.2 Security Deposit: The Tenant shall pay, upon the execution of this Lease, the sum of \$5,500.00 as security for the faithful performance of, and compliance with, all of the terms, covenants and conditions in this Lease. If the Tenant fails to comply with its obligations herein or shall surrender the Premises without the written consent of the Landlord, or is dispossessed therefrom or abandons the Premises prior to the expiration of the Term, then, and in that event, the security deposit shall belong to the Landlord as fixed, liquidated and agreed damages, in payment of such disbursements, costs and expenses which it may undergo for the purpose of regaining possession of the Premises and without limiting any other rights, remedies or damages



of the Landlord. The Landlord shall apply the security deposit provided for herein against the total damages resulting from a breach of the terms of this Lease by the Tenant. If, however, all terms, covenants and conditions are fully complied with by the Tenant, then, and in that event, the security deposit shall be returned to the Tenant on surrender of the Premises in a good state and condition as required by this Lease.

2.3 Payment as Rent: All of the payments set out in this Lease (other than GST (as hereinafter defined)) shall constitute additional rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of additional rent that it has against the Tenant for default in payment of rent.

2.4 Interest on Overdue Amounts: If the Tenant shall fail to pay any rent or other amount when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time the amount becomes due until paid by the Tenant.

2.5 GST: The Tenant shall pay to the Landlord all goods and services taxes and other applicable taxes (collectively, "GST") on the rent and additional rent pursuant to all applicable laws and regulations. GST shall not be deemed to be additional rent under this Lease, but may be recovered by the Landlord as though it were additional rent.

2.6 Percentage Rent:

(a) In addition to the rent set out in Section 2.1 above, the Tenant shall pay a further rent (the "Percentage Rent") equal to the amount of five (5%) percent of the Gross Revenue in each Lease Year exceeds the \$600,000.00, without any deduction, abatement or set-off whatsoever.

(b) "Gross Revenue" as used above shall mean the aggregate amount of the sales, whether for cash or credit or otherwise, of merchandise and services and all other receipts or receivables whatsoever of all business conducted at, in, on or at the Premises, including receipts or receivables in respect of orders taken at or received at the Premises (although such orders may be filled elsewhere), by the Tenant and every sublessee, concessionaire and licensee of the Tenant or otherwise in or from the Premises, including the restaurant, but shall not include: (i) the sales price of merchandise returned or exchanged by customers for which a credit or refund is made; (ii) any sums or credits received in settlement of claims for loss or damage to merchandise; (iii) the amount of returns of merchandise to shippers or to manufacturers, or to other premises of the Tenant; (iv) taxes which are required to be collected as a direct and separate tax from customers and which are not included in the sales price of such merchandise or services; or (v) the proceeds of the sale of fixtures used for the conduct of business by the Tenant in the Premises;

(c) The Tenant shall pay to the Landlord the Percentage Rent annually at the end of the Lease Year. For the purpose of ascertaining Percentage Rent, the Tenant shall provide the Landlord with a statement prepared by its accountant at the end of each Lease Year. The Tenant shall also prepare and keep on the Premises or at the Tenant's head office, for a period of not less than eighteen (18) months, adequate records which shall show all inventories and receipts of merchandise at the Premises and daily receipts from all sales and other transactions, the proceeds of which would be included in Gross Revenue. The Tenant shall record at the time of sale, in the

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presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register or in cash registers having a cumulative total which shall be sealed in a manner approved by the Landlord, and having such other features as shall be approved by the Landlord. Such records shall include:

- (i) purchase orders or packaging or delivery receipts of inventory and merchandise delivered to the Premises;
- (ii) cash register tapes;
- (iii) serially numbered sales slips;
- (iv) the originals of all mail orders and telephone orders at and to the Premises;
- (v) settlement report sheets of transactions with sublessees, concessionaires and licensees;
- (vi) sales tax returns;
- (vii) the original records showing that merchandise returned by customers was purchased at the Premises by such customers;
- (viii) such other sales and inventory records, if any, which would normally be examined by an independent chartered accountant qualified to practise publicly pursuant to accepted auditing standards in performing an audit of the entire business affairs and sales of the Tenant at, in, on or from the Premises; and
- (ix) the records specified above of the sublessees, concessionaires or licensees.

The Landlord shall have the right, exercisable by its officers or auditors at any time, to examine the records and procedures of the Tenant affecting the determination of Gross Revenue. Any understatement of Percentage Rent or Gross Revenue shall constitute an Event of Default (as defined in Section 11 below).

3. Use

3.1 Use: The Tenant agrees to use the Premises only for the purpose of a Canadian food casual restaurant in a careful, prudent and lawful manner, for which use it shall be provided exclusive rights to operate within the Landlord's hotel property so long as it remains a tenant. The Landlord shall not lease any space in the Landlord's hotel property to a restaurant directly competitive to that of the Tenant's restaurant as determined by the Landlord, acting reasonably. The Tenant shall keep the Premises in as good order, condition and repair as the same now are and shall deliver up the Premises at the expiration or termination of this Lease in such condition, reasonable wear and tear thereof and damage by fire and other unavoidable casualty for which the Landlord has or is required to carry insurance only excepted. The Tenant shall not do or suffer any waste or damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Premises, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any odour or nuisance in, at or on the Premises.

3.2 Quiet Enjoyment: The Tenant, upon paying the rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.



4. Taxes and Utilities

4.1 Taxes: The Landlord shall pay all real estate taxes levied or assessed against the Premises as and when due.

4.2 Utilities: The Landlord agrees to pay for all reasonable utilities and services used or consumed in the Premises during the Term. The Tenant shall not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises.

5. Alterations and Repairs

5.1 Improvements and Alterations: No additions, modifications or alterations are to be made by the Tenant without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. All such additions, modifications or alterations consented to by the Landlord are to be made only at the expense of the Tenant. Upon affixation, such additions, modifications or alterations shall immediately become the property of the Landlord and shall be regarded for all purposes as part of the Premises. Any and all such additions, alterations and modifications shall be made in accordance with all applicable laws and regulations. The Tenant agrees that it shall, upon request of the Landlord, at the end of the Term or other expiration of this Lease, put the Premises back in the same condition as when the Tenant took possession, except to the extent that any addition, alteration or modification had been previously consented to by Landlord. If any construction or other lien or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien or orders against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

5.2 Maintenance and Repair: The maintenance and repair of the Premises shall be governed as follows:

- (a) the Landlord shall, at its expense, maintain and keep in good repair the roof, loading-bearing walls, foundation and structural portions of the Premises (but excluding items that are the responsibility of the Tenant herein);
- (b) the Tenant shall be responsible, at its expense, for the day-to-day maintenance and repair of the Premises, including, without limitation, plumbing fixtures, all facilities and equipment providing water, light and heat which are located within the Premises and all decorating and redecorating of the Premises, including the floor coverings and painting and maintenance of all walls (exterior and interior), and shall make any and all other repairs due to the negligence or misuse of Premises by the Tenant (except to the extent covered by Landlord's insurance); and

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(c) the Landlord shall be responsible, at its expense, for any required replacement and for any required major capital repairs to all service and utilities lines serving the Premises and to all heating, ventilation and air-conditioning equipment that existed at the beginning of the Term.

5.3 Compliance with Laws: The Tenant shall, at its own expense, comply with all applicable laws and regulations affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of its fire insurance underwriters.

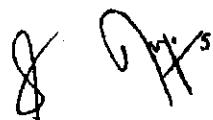
5.4 Signs: The Tenant shall have the right, at all times during the Term, at its own expense, to erect or cause to be erected such signs upon the Premises as it deems desirable, provided however, that no exterior signs shall be so erected without the consent of the Landlord. The erection and maintenance of any and all such signs shall be in conformity with the requirements of all applicable laws and regulations.

6. Insurance, Releases and Indemnity

6.1 Landlord's Insurance: The Landlord shall obtain and maintain in full force and effect, fire and extended insurance coverage on the Premises in amounts satisfactory to Landlord, acting reasonably.

6.2 Tenant's Insurance: The Tenant shall obtain and maintain in force and effect, the following insurance:

- (a) fire and extended insurance coverage on all property of the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than two million dollars (\$2,000,000.00) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises; and



(d) such other forms of insurance as may be reasonably required by the Landlord and any mortgagee of the Premises from time to time.

The Tenant shall, upon request, provide to the Landlord certificates or policies of insurance evidencing compliance with the foregoing requirements.

6.3 Mutual Release: The parties hereby release each other as follows: (a) the Landlord hereby releases the Tenant with respect to any and all liability (including that derived from the fault or neglect of the Tenant, its subsidiaries, its parent company, assignees, subtenants, agents, employees or other persons under its direction or control) which the Tenant might otherwise have for any damage to or destruction of the Premises and any personal property of the Landlord, by fire, other casualty or cause which the Landlord is required to insure against pursuant to the terms of this Lease or has otherwise insured, and (b) the Tenant hereby releases the Landlord with respect to any and all liability (including that derived from the fault or neglect of the Landlord, its subsidiaries, its parent company, assignees, agents, employees or other persons under its direction or control) which the Landlord might otherwise have for any damage to or destruction of the Premises and any personal property of the Tenant, by fire, other casualty or cause which the Tenant is required to insure against pursuant to the terms of this Lease or has otherwise insured.

6.4 Further Release of Landlord: Without limiting any other provisions herein, the Landlord shall not be liable for any damage resulting from the interruption of the Tenant's business caused by fire or other hazards (whether insured or not) or interruption of utilities or for any indirect or consequential damages, whether or not attributable to the negligence of the Landlord, and the Tenant does hereby expressly release the Landlord of and from any and all liability for such damage.

6.5 Indemnity: The Tenant shall indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; and (c) arising from any breach by the Tenant of any provision of this Lease.

7. Environmental Matters and Pest Control

7.1 Hazardous Materials: The Tenant shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises; provided however that if any hazardous material is necessary to the Tenant's business, such hazardous material may be brought upon, kept or used in or about the Premises by Tenant but only if such hazardous materials are used, kept and/or stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon, used or kept in or about the Premises. The Tenant shall immediately notify the Landlord in writing of any release or other activity at or upon the Premises for which notification of any governmental entity is required pursuant to applicable environmental or health laws and regulations. As used herein, the term "Hazardous Material" shall mean any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance.

[Handwritten signatures]

noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any applicable environmental or health laws and regulations.

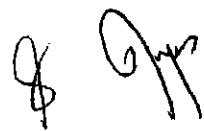
7.2 Pest Control: In the event an unreasonable number of pets or rodents are observed within the Premises, then the Tenant shall engage, at its sole cost and expense, such pest extermination contractor for the Premises as the Landlord directs at such intervals as the Landlord requires. In the event that the Tenant fails to engage such pest extermination contractor as the Landlord directs at such intervals as the Landlord requires, or if the Landlord, in its sole discretion, determines that the Tenant's pest extermination contractor is not performing its duties effectively, the Landlord may, without notice, engage its own pest extermination contractor on the Tenant's behalf and at the Tenant's sole cost and expense, without incurring any liability in respect thereof, and the Tenant shall pay to the Landlord the cost of the Landlord's pest extermination contractor together with an administration fee of fifteen percent (15%) of the total cost.

7.3 Nuisance: The Tenant shall not commit, cause or permit any nuisance or waste on the Premises or permit the emission of any offensive substance, odour or noise from the Premises. The Tenant shall not permit or allow any overloading of the floors of the Premises, and shall not bring into the Premises any articles or fixtures that, by reason of their weight, use or size, might damage or endanger the Premises.

8. Damage or Destruction

8.1 Damage or Destruction of the Premises: If the Premises or any portion thereof is damaged or destroyed by fire or by other casualty:

- (a) rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work;
- (b) if the Premises cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;



- (c) in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose or, in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Premises, the Landlord may elect, within thirty (30) days of such damage or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;
- (d) the Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. In performing any reconstruction or repair, the Landlord may effect reasonable changes to the Premises and its equipment and systems; and
- (e) any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding upon the parties.

9. Right to Enter

9.1 *Landlord's Right to Enter:* The Landlord and its agents may, at all reasonable times upon reasonable notice, enter upon the Premises to view the condition thereof or to make such repairs or alterations as the Landlord may be required to make or may deem necessary for the safety, improvement or preservation of the Premises or for the purpose of exhibiting the Premises to prospective mortgagees and/or purchasers. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, without notice to or consent by the Tenant, at any time during the last nine (9) months of the Term, on reasonable prior notice, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.

10. Sublease, Assignment and Sale

10.1 *Sublease and Assignment:* The Tenant shall not sublet the Premises in whole or in part or assign or charge or encumber this Lease or any interest therein or otherwise part with or share possession of the Premises (any of the foregoing being a "Transfer") without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. The following shall apply in connection with any Transfer:

- (a) requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, phone numbers, business experience, credit and financial information and banking references of the party to whom the Transfer is to be made (the "Transferee"). The Tenant shall also



provide such additional information pertaining to the Transferee as the Landlord may reasonably require;

- (b) notwithstanding any Transfer the Tenant shall remain fully liable to pay rent and to perform all of the covenants, terms and conditions herein contained. The Landlord may collect rent from the Transferee, and apply the net amount collected to the rent payable hereunder, but no such Transfer or collection, or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant;
- (c) without limiting any other basis upon which the Landlord may reasonably withhold consent, the Landlord shall not be obligated to provide its consent if the Tenant is in default under this Lease or the Landlord is not satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (d) upon request of the Landlord the Transferee shall enter into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease; and
- (e) the Tenant shall pay to the Landlord, prior to receiving such consent, the Landlord's reasonable administrative fees and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer.

10.2 *Estoppel Certificate:* The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the annual rent then being paid; (c) the dates to which annual rent, by installments or otherwise, and other additional rent or charges hereunder have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

10.3 *Subordination and Non-Disturbance:* This Lease and all of the rights of the Tenant hereunder are, and shall at all times and at the option of the Landlord, be either: (a) subject and subordinate to any and all security granted by the Landlord now or hereinafter in force against the Premises; or (b) be in priority to any such security. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder or shall accept a subordination of any security in favour of this Lease, in such form or forms as the Landlord may require to any such security holder, and to all advances made or hereinafter to be made upon the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a security holder to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the security holder.

Upon receiving a request in writing from the Tenant and so long as the Tenant is not in default of the Lease, the Landlord agrees to provide reasonable commercial efforts to obtain for the Tenant a non disturbance agreement in writing from the Landlord's primary mortgagee.

10.4 Sale by Landlord: In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

10.5 Change of Control: In the event that the Tenant proposes to transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, any part or all of the corporate shares of the Tenant and of any direct or indirect parent corporation of the Tenant so as to result in any change in the present effective voting control of the Tenant by the party or parties holding such voting control at the date of commencement of this Lease, such transaction shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. The Tenant and any direct or indirect parent corporation of the Tenant shall make available to the Landlord, or to its lawful representatives, such non-financial books and records, including but not limited to the minute book, of the Tenant for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change of control. This provision shall not apply if the Tenant is a public company listed on a recognized stock exchange or a subsidiary of such a public company. The minute book of the Tenant and of any direct or indirect parent corporation of the Tenant shall be complete and accurate and reflect all material actions taken and resolutions passed by the directors and shareholders of the Company since the date of its incorporation and all such meetings were duly called and held and the share certificate books, register of shareholders, register of transfer and registers of directors shall be complete and accurate. The Tenant represents and warrants that the certificate of incumbency in Schedule "B" is true and correct.

11. Default and Remedies

11.1 Events of Default: The Tenant shall be in default upon the occurrence of any of the following (all of which are "Events of Default"):

- (a) any rent or other amount due is not paid within ten (10) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days or such shorter period, the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Guarantor becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or

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proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;

- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Guarantor;
- (e) the Tenant or any Guarantor makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

11.2 Landlord Remedies: If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 11.2(a) or proceeding under Section 11.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 11.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease.

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No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;

- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, or sell or otherwise dispose of such property in such manner as the Landlord sees fit, without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than rent, and third, to the payment of rent in arrears, with the residue to be held by the Landlord and applied to payment of future rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purpose. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's rent together with the next three months' installments of rent, all of which shall immediately become due and payable as accelerated rent.

11.3 Distress: Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

11.4 Costs: The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in

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enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative: Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

12. Miscellaneous

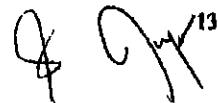
12.1 Notices: Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the following addresses:

to the Landlord: 250 Consumers Road, Suite 702, North York, Ontario M2J 4V6
to the Tenant: at the Premises
to the Guarantor: at the Premises
to the Franchisor: 305 Milner Avenue, Suite 900, Toronto, Ontario M1B 3V4

and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third (3rd) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed. Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

12.2 Force Majeure: Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section shall not under any circumstances operate to excuse the Tenant from prompt payment of rent and/or any other charges payable under this Lease.

12.3 Waiver: No waiver by any party hereto of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party hereto to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of rent by the Landlord shall not be

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deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such rent. All rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

12.4 Registration: Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat.

12.5 Interpretation: Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease. If any Section or part or parts of a Section in this Lease are or become illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to co-operate with the Tenant in bringing such application.

12.6 Overholding: If, at the expiration of the Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of four hundred percent (400%) of the monthly installment of rent payable during the last year of the Term, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

12.7 Entire Agreement: There are no covenants, representations, warranties, agreements or other conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties hereto.

12.8 Successors and Assigns: The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

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12.9 Personal Information: Any Tenant or Guarantor that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Guarantor, as applicable (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

12.10 Guarantor: In consideration of the Landlord's execution of this Lease, the Guarantor covenants jointly and severally with the Tenant, as a principal obligor and not as a surety, that the Tenant will perform all of its obligations under this Lease, and that the Guarantor will execute the Indemnity Agreement in the form attached as Schedule "A". The Indemnity Agreement shall be deemed to have been executed and delivered by the Guarantor to the Landlord upon the execution and delivery of this Lease, whether or not the Indemnity Agreement is separately executed and delivered.

12.11 Landlord's Chattels: All of the furniture, fixtures, equipment and smallwares (the "Equipment") are the sole property of the Landlord save and except those that may be purchased by the Tenant that are included as an addendum to the Lease. Throughout the Term, the Landlord agrees to lease the Equipment to the Tenant. The Tenant shall be responsible for the maintenance, insurance and repair of the Equipment in a manner of a prudent owner acting reasonably. The Tenant shall covenant to insure the Landlord's interest in the Equipment and to ensure the Landlord is covered Landlord as the first loss payee with respect to the Equipment in its insurance coverage. The Tenant agrees to permit the Landlord to register its interest in the Equipment by registering a charge under the *Personal Property Securities Act* (Ontario).

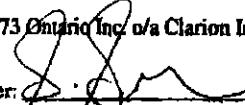
12.12 Radius Restriction: The Tenant and Guarantors covenant and agree not to be involved in any manner, without limitation, with any business carrying on any similar or competing business within the radius of 2 kilometres from the Premises during the Term.

12.13 Landlord's Change: Notwithstanding anything contained in this Lease, the Landlord shall have the right, at any time, to make additions to, or subtractions from, and change, rearrange or relocate, any part of the common areas and facilities, the Premises or the Landlord's hotel property. The Landlord shall also have the right to enclose any open area, to make changes to the parking areas and changes or additions to the systems, pipes, conduits, utilities and services or other building services serving the Premises or the Landlord's hotel property (collectively the "Changes"). In doing any of the foregoing, the Landlord shall have the right to enter on the Premises, and such entry shall not constitute a re-entry hereunder. The Landlord shall make any Changes as expeditiously as is reasonably possible and shall use reasonable commercial efforts to minimize any disruption of the operation of the Tenant's business and, provided it complies with the foregoing, no claim for compensation shall be made by the Tenant by reason of inconvenience, nuisance or discomfort arising from such Changes or from the Landlord's entry.

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

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LANDLORD: 1733073 Ontario Inc. o/a Clarion Inn and Suites

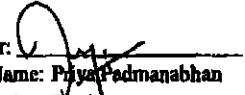
Per: 

Name: Siva Suthakaran

Title: President

I have the authority to bind the Corporation

TENANT: 1769143 Ontario Inc. o/a Golden Griddle Family Restaurant

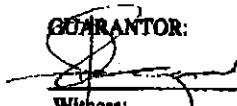
Per: 

Name: Priya Padmanabhan

Title: President

I have the authority to bind the Corporation

CO-GUARANTOR:

Witness: 


Name: Priya Padmanabhan

Appendix H

Request ID: 013272421
Transaction ID: 44655512
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/21
Time Report Produced: 09:55:21
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1769143	1769143 ONTARIO INC.		2008/05/16
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
211 PINNACLE ST		NOT APPLICABLE	NOT APPLICABLE
BELLEVILLE ONTARIO CANADA K8N 3A7		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
NOT AVAILABLE		Revival Date	Continuation Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	00001 00001	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013272421
Transaction ID: 44655512
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/21
Time Report Produced: 09:55:21
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1769143

Corporation Name

1769143 ONTARIO INC.

Corporate Name History

1769143 ONTARIO INC.

Effective Date

2008/05/16

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

PRIYA

PADMANABAAN

Address

211 PINNACLE ST
BELLEVILLE
ONTARIO
CANADA K8N 3A7

Date Began **First Director**

2008/05/16

YES

Designation **Officer Type** **Resident Canadian**

DIRECTOR

Y

Request ID: 013272421
Transaction ID: 44655512
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/06/21
Time Report Produced: 09:55:21
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1769143

Corporation Name

1769143 ONTARIO INC.

Last Document Recorded

Act/Code Description	Form	Date
BCA ARTICLES OF INCORPORATION	1	2008/05/16

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Appendix I

THIS LEASE made as of the 1st day of March, 2011,

BETWEEN:

1733073 Ontario Inc. o/a Clarion Inn and Suites
(the "Landlord")

AND

2245632 Ontario Inc. o/a Silk Route Restaurant
(the "Tenant")

THIS INDENTURE WITNESSETH THAT IN CONSIDERATION of the covenants and agreements hereinafter mentioned, the parties do hereby agree as follows:

1. Premises and Term

1.1 Premises: The Landlord hereby leases to the Tenant an area of approximately 3,200 square feet, located on the main floor of the Landlord's hotel property, municipally located at 211 Pinnacle Street, Belleville, Ontario, including all structures and improvements thereon (the "Premises"). The Tenant accepts the Premises in its "as is" condition.

1.2 Term: To have and to hold the Premises unto the Tenant for the term (the "Term") from March 1st, 2011 to and including March 1st, 2016 with the option to renew another 5 years.

2. Rent

2.1 Rent: The Tenant agrees to pay to the Landlord, as rent for the Premises, the sum of \$36,000.00 per annum, payable in monthly installments on the first day of each month of the Term and for the first 6 months Free of rent, in advance, such payments to be in the amount of \$3,000.00 per month including Room 316 o/a Shannonville, located on the third floor of the Landlords property, commencing on the 1stth day of September, 2011. If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month. Rent and other amounts payable hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

2.2 Security Deposit: The Tenant shall pay, upon the execution of this Lease, the sum of \$3,000.00 as security for the faithful performance of, and compliance with, all of the terms, covenants and conditions in this Lease. If the Tenant fails to comply with its obligations herein or shall surrender the Premises without the written consent of the Landlord, or is dispossessed therefrom or abandons the Premises prior to the expiration of the Term, then, and in that event, the security deposit shall belong to the Landlord as fixed, liquidated and agreed damages, in payment of such disbursements, costs and expenses which it may undergo for the purpose of regaining possession of the Premises and without limiting any other rights, remedies or damages of the Landlord. The Landlord shall apply the security deposit provided for herein against the total damages resulting from a breach of the terms of this Lease by the Tenant. If, however, all

terms, covenants and conditions are fully complied with by the Tenant, then, and in that event, the security deposit shall be returned to the Tenant on surrender of the Premises in a good state and condition as required by this Lease.

2.3 Payment as Rent: All of the payments set out in this Lease (other than GST (as hereinafter defined)) shall constitute additional rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of additional rent that is has against the Tenant for default in payment of rent.

2.4 Interest on Overdue Amounts: If the Tenant shall fail to pay any rent or other amount when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time the amount becomes due until paid by the Tenant.

2.5 HST: The Tenant shall pay to the Landlord all harmonized services taxes and other applicable taxes (collectively, "HST") on the rent and additional rent pursuant to all applicable laws and regulations. HST shall not be deemed to be additional rent under this Lease, but may be recovered by the Landlord as though it were additional rent.

2.6 Percentage Rent: Intentionally deleted.

3. Use

3.1 Use: The Tenant agrees to use the Premises only for the purpose of a Canadian food casual restaurant in a careful, prudent and lawful manner, for which use it shall be provided exclusive rights to operate within the Landlord's hotel property so long as it remains a tenant. **The Landlord shall not lease any space in the Landlord's hotel property to a restaurant directly competitive to that of the Tenant's restaurant as determined by the Landlord, acting reasonably.**

3.2 Quiet Enjoyment: The Tenant, upon paying the rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

4. Taxes and Utilities

4.1 Taxes: The Landlord shall pay all real estate taxes levied or assessed against the Premises as and when due.

4.2 Utilities: The Landlord agrees to pay for all reasonable utilities and services used or consumed in the Premises during the Term. The Tenant shall not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises.

5. Alterations and Repairs

5.1 Improvements and Alterations: No additions, modifications or alterations are to be made by the Tenant without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. All such additions, modifications or alterations consented to by the Landlord are to be made only at the expense of the Tenant. Upon affixation, such additions, modifications or alterations shall immediately become the property of the Landlord and shall be regarded for all purposes as part of the Premises. Any and all such additions, alterations and modifications shall be made in accordance with all applicable laws and regulations. The Tenant agrees that it shall, upon request of the Landlord, at the end of the Term or other expiration of this Lease, put the Premises back in the same condition as when the Tenant took possession, except to the extent that any addition, alteration or modification had been previously consented to by Landlord. If any construction or other lien or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien or orders against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

5.2 Maintenance and Repair: The maintenance and repair of the Premises shall be governed as follows:

- (a) the Landlord shall, at its expense, maintain and keep in good repair the roof, loading-bearing walls, foundation and structural portions of the Premises (but excluding items that are the responsibility of the Tenant herein);
- (b) the Tenant shall be responsible, at its expense, for the day-to-day maintenance and repair of the Premises, including, without limitation, plumbing fixtures, all facilities and equipment providing water, light and heat which are located within the Premises and all decorating and redecorating of the Premises, including the floor coverings and painting and maintenance of all walls (exterior and interior), and shall make any and all other repairs due to the negligence or misuse of Premises by the Tenant (except to the extent covered by Landlord's insurance); and
- (c) the Landlord shall be responsible, at its expense, for any required replacement and for any required major capital repairs to all service and utilities lines serving the Premises and to all heating, ventilation and air-conditioning equipment that existed at the beginning of the Term.

5.3 Compliance with Laws: The Tenant shall, at its own expense, comply with all applicable laws and regulations affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of its fire insurance underwriters.

5.4 Signs: The Tenant shall have the right, at all times during the Term, at its own expense, to erect or cause to be erected such signs upon the Premises as it deems desirable, provided

however, that no exterior signs shall be so erected without the consent of the Landlord. The erection and maintenance of any and all such signs shall be in conformity with the requirements of all applicable laws and regulations.

6. Insurance, Releases and Indemnity

6.1 Landlord's Insurance: The Landlord shall obtain and maintain in full force and effect, fire and extended insurance coverage on the Premises in amounts satisfactory to Landlord, acting reasonably.

6.2 Tenant's Insurance: The Tenant shall obtain and maintain in force and effect, the following insurance:

- (a) fire and extended insurance coverage on all property of the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than two million dollars (\$2,000,000.00) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises; and
- (d) such other forms of insurance as may be reasonably required by the Landlord and any mortgagee of the Premises from time to time.

The Tenant shall, upon request, provide to the Landlord certificates or policies of insurance evidencing compliance with the foregoing requirements.

6.3 Mutual Release: The parties hereby release each other as follows: (a) the Landlord hereby releases the Tenant with respect to any and all liability (including that derived from the fault or neglect of the Tenant, its subsidiaries, its parent company, assignees, subtenants, agents, employees or other persons under its direction or control) which the Tenant might otherwise have for any damage to or destruction of the Premises and any personal property of the Landlord, by fire, other casualty or cause which the Landlord is required to insure against pursuant to the terms of this Lease or has otherwise insured, and (b) the Tenant hereby releases the Landlord with respect to any and all liability (including that derived from the fault or neglect of the Landlord, its

subsidiaries, its parent company, assignees, agents, employees or other persons under its direction or control) which the Landlord might otherwise have for any damage to or destruction of the Premises and any personal property of the Tenant, by fire, other casualty or cause which the Tenant is required to insure against pursuant to the terms of this Lease or has otherwise insured.

6.4 Further Release of Landlord: Without limiting any other provisions herein, the Landlord shall not be liable for any damage resulting from the interruption of the Tenant's business caused by fire or other hazards (whether insured or not) or interruption of utilities or for any indirect or consequential damages, whether or not attributable to the negligence of the Landlord, and the Tenant does hereby expressly release the Landlord of and from any and all liability for such damage.

6.5 Indemnity: The Tenant shall indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; and (c) arising from any breach by the Tenant of any provision of this Lease.

7. Environmental Matters and Pest Control

7.1 Hazardous Materials: Intentionally deleted.

7.2 Pest Control: In the event an unreasonable number of pets or rodents are observed within the Premises, then the Tenant shall engage, at its sole cost and expense, such pest extermination contractor for the Premises as the Landlord directs at such intervals as the Landlord requires. In the event that the Tenant fails to engage such pest extermination contractor as the Landlord directs at such intervals as the Landlord requires, or if the Landlord, in its sole discretion, determines that the Tenant's pest extermination contractor is not performing its duties effectively, the Landlord may, without notice, engage its own pest extermination contractor on the Tenant's behalf and at the Tenant's sole cost and expense, without incurring any liability in respect thereof, and the Tenant shall pay to the Landlord the cost of the Landlord's pest extermination contractor together with an administration fee of fifteen percent (15%) of the total cost.

7.3 Nuisance: The Tenant shall not commit, cause or permit any nuisance or waste on the Premises or permit the emission of any offensive substance, odour or noise from the Premises. The Tenant shall not permit or allow any overloading of the floors of the Premises, and shall not bring into the Premises any articles or fixtures that, by reason of their weight, use or size, might damage or endanger the Premises.

8. Damage or Destruction

8.1 Damage or Destruction of the Premises: If the Premises or any portion thereof is damaged or destroyed by fire or by other casualty:

- (a) rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work;
- (b) if the Premises cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;
- (c) in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose or, in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Premises, the Landlord may elect, within thirty (30) days of such damage or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;
- (d) the Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. In performing any reconstruction or repair, the Landlord may effect reasonable changes to the Premises and its equipment and systems; and
- (e) any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding upon the parties.

9. Right to Enter

9.1 Landlord's Right to Enter: The Landlord and its agents may, at all reasonable times upon reasonable notice, enter upon the Premises to view the condition thereof or to make such repairs or alterations as the Landlord may be required to make or may deem necessary for the safety,

improvement or preservation of the Premises or for the purpose of exhibiting the Premises to prospective mortgagees and/or purchasers. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, without notice to or consent by the Tenant, at any time during the last nine (9) months of the Term, on reasonable prior notice, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.

10. Sublease, Assignment and Sale

10.1 *Sublease and Assignment:* The Tenant shall not sublet the Premises in whole or in part or assign or charge or encumber this Lease or any interest therein or otherwise part with or share possession of the Premises (any of the foregoing being a "Transfer") without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. The following shall apply in connection with any Transfer:

- (a) requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, phone numbers, business experience, credit and financial information and banking references of the party to whom the Transfer is to be made (the "Transferee"). The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require;
- (b) notwithstanding any Transfer the Tenant shall remain fully liable to pay rent and to perform all of the covenants, terms and conditions herein contained. The Landlord may collect rent from the Transferee, and apply the net amount collected to the rent payable hereunder, but no such Transfer or collection, or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant;
- (c) without limiting any other basis upon which the Landlord may reasonably withhold consent, the Landlord shall not be obligated to provide its consent if the Tenant is in default under this Lease or the Landlord is not satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (d) upon request of the Landlord the Transferee shall enter into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease; and
- (e) the Tenant shall pay to the Landlord, prior to receiving such consent, the Landlord's reasonable administrative fees and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer.

10.2 *Estoppel Certificate:* The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the annual rent then being paid; (c) the dates to which annual rent, by installments or otherwise, and other additional rent or charges hereunder have been paid; (d)

whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

10.3 Subordination and Non-Disturbance: This Lease and all of the rights of the Tenant hereunder are, and shall at all times and at the option of the Landlord, be either: (a) subject and subordinate to any and all security granted by the Landlord now or hereinafter in force against the Premises; or (b) be in priority to any such security. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder or shall accept a subordination of any security in favour of this Lease, in such form or forms as the Landlord may require to any such security holder, and to all advances made or hereinafter to be made upon the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a security holder to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the security holder.

Upon receiving a request in writing from the Tenant and so long as the Tenant is not in default of the Lease, the Landlord agrees to provide reasonable commercial efforts to obtain for the Tenant a non disturbance agreement in writing from the Landlord's primary mortgagee.

10.4 Sale by Landlord: In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

10.5 Change of Control: In the event that the Tenant proposes to transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, any part or all of the corporate shares of the Tenant and of any direct or indirect parent corporation of the Tenant so as to result in any change in the present effective voting control of the Tenant by the party or parties holding such voting control at the date of commencement of this Lease, such transaction shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. The Tenant and any direct or indirect parent corporation of the Tenant shall make available to the Landlord, or to its lawful representatives, such non-financial books and records, including but not limited to the minute book, of the Tenant for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change of control. This provision shall not apply if the Tenant is a public company listed on a recognized stock exchange or a subsidiary of such a public company. The minute book of the Tenant and of any direct or indirect parent corporation of the Tenant shall be complete and accurate and reflect all material actions taken and resolutions passed by the directors and shareholders of the Company since the date of its incorporation and all such meetings were duly called and held and the share certificate books, register of shareholders, register of transfer and registers of directors shall be complete and accurate. The Tenant represents and warrants that the certificate of incumbency in Schedule "B" is true and correct.

11. Default and Remedies

11.1 Events of Default: The Tenant shall be in default upon the occurrence of any of the following (all of which are "Events of Default"):

- (a) any rent or other amount due is not paid within ten (10) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days or such shorter period, the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Guarantor becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Guarantor;
- (e) the Tenant or any Guarantor makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a

result of any action or omission by the Tenant or any person for whom it is legally responsible.

11.2 Landlord Remedies: If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 11.2(a) or proceeding under Section 11.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 11.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, or sell or otherwise dispose of such property in such manner as the Landlord sees fit, without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than rent, and third, to the payment of rent in arrears, with the residue to be held by the Landlord and applied to payment of future rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord

terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and

(e) to recover from the Tenant the full amount of the current month's rent together with the next three months' installments of rent, all of which shall immediately become due and payable as accelerated rent.

11.3 Distress: Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

11.4 Costs: The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative: Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

12. Miscellaneous

12.1 Notices: Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the following addresses:

to the Landlord: 250 Consumers Road, Suite 702, North York, Ontario M2J 4V6
to the Tenant: at the Premises

and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third (3rd) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed. Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and

- (e) to recover from the Tenant the full amount of the current month's rent together with the next three months' installments of rent, all of which shall immediately become due and payable as accelerated rent.

11.3 Distress: Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

11.4 Costs: The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative: Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

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and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third (3rd) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed. Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

12.2 *Force Majeure*: Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section shall not under any circumstances operate to excuse the Tenant from prompt payment of rent and/or any other charges payable under this Lease.

12.3 *Waiver*: No waiver by any party hereto of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party hereto to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of rent by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such rent. All rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

12.4 *Registration*: Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat.

12.5 *Interpretation*: Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease. If any Section or part or parts of a Section in this Lease are or become illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to co-operate with the Tenant in bringing such application.

12.6 *Overholding*: If, at the expiration of the Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be

from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of two hundred percent (200%) of the monthly installment of rent payable during the last year of the Term, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

12.7 Entire Agreement: There are no covenants, representations, warranties, agreements or other conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties hereto.

12.8 Successors and Assigns: The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

12.9 Personal Information: Any Tenant or Guarantor that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Guarantor, as applicable (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

12.10 Guarantor: Intentionally deleted

12.11 Chattels: All of the furniture, fixtures, equipment and smallwares (the "Equipment") are the sole property of the Tenant. The Tenant shall be responsible for the maintenance, insurance and repair of the Equipment in a manner of a prudent owner acting reasonably.

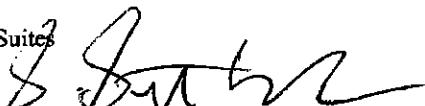
12.12 Radius Restriction: Intentionally deleted.

12.13 Landlord's Change: Intentionally deleted.

Deleted: 1

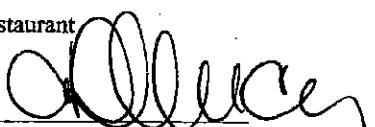
IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

LANDLORD: 1733073 Ontario Inc. o/a Clarion Inn and Suites

Per: 
Name: Siva Suthakaran

Title: President
I have the authority to bind the Corporation

TENANT: 2245632 Ontario Inc. o/a Silk Route Restaurant

Per: 
Name: Jennine De Luca

Title: President
I have the authority to bind the Corporation

Appendix J

Request ID: 013210531
Transaction ID: 44462048
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:20:55
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2245632	2245632 ONTARIO INC.		2010/05/31
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
JENNINE DE LUCA 250 CONSUMERS ROAD		NOT APPLICABLE	NOT APPLICABLE
Suite # 701 TORONTO ONTARIO CANADA M2J 4V6		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
JENNINE DE LUCA 250 CONSUMERS ROAD		Revival Date	Continuation Date
Suite # 701 TORONTO ONTARIO CANADA M2J 4V6		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased In Ontario
NOT AVAILABLE	00001 00005	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013210531
Transaction ID: 44462048
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:20:55
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

2245632

Corporation Name

2245632 ONTARIO INC.

Corporate Name History

2245632 ONTARIO INC.

Effective Date

2010/05/31

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

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

JENNINE

DE LUCA

Address

250 CONSUMERS ROAD
Suite # 701
TORONTO
ONTARIO
CANADA M2J 4V6

Date Began

2010/05/31

First Director

YES

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 013210531
Transaction ID: 44462048
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:20:55
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

2245632

Corporation Name

2245632 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

SIVA

SUTHAKARAN

Address

250 CONSUMERS ROAD
Suite # 701
TORONTO
ONTARIO
CANADA M2J 4V6

Date Began

2011/02/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

SIVA

SUTHAKARAN

Address

250 CONSUMERS ROAD
Suite # 701
TORONTO
ONTARIO
CANADA M2J 4V6

Date Began

2011/02/23

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

Resident Canadian

Y

Request ID: 013210531
Transaction ID: 44462048
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:20:55
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2245632

Corporation Name

2245632 ONTARIO INC.

Last Document Recorded

Act/Code Description	Form	Date
CIA CHANGE NOTICE	1	2011/05/05

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE

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

Appendix K

THIS LEASE made as of the 1st day of March, 2011,

BETWEEN:

1733073 Ontario Inc. o/a Clarion Inn and Suites
(the "Landlord")

AND

1726463 Ontario Inc. o/a Golden Griddle Family Restaurant
(the "Tenant")

THIS INDENTURE WITNESSETH THAT IN CONSIDERATION of the covenants and agreements hereinafter mentioned, the parties do hereby agree as follows:

1. Premises and Term

1.1 *Premises*: The Landlord hereby leases to the Tenant an area of approximately 2,600 square feet, facing south on Bridge Street, located on the main floor of the Landlord's hotel property, municipally located at 211 Pinnacle Street, Belleville, Ontario, including all structures and improvements thereon (the "Premises"). The Tenant accepts the Premises in its "as is" condition.

1.2 *Term*: To have and to hold the Premises unto the Tenant for the term (the "Term") from **March 1st, 2011** to and including **March 1st, 2016** with the option to renew another 5 years.

2. Rent

2.1 *Rent*: The Tenant agrees to pay to the Landlord, as rent for the Premises, the sum of \$30,000.00 per annum, payable in monthly installments on the first day of each month of the Term and for the first 6 months Free of rent, in advance, such payments to be in the amount of \$2,500.00 per month including Tropicana Banquet Hall, located lower level, commencing on the **1stth day of September, 2011**. If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month. Rent and other amounts payable hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

2.2 *Security Deposit*: The Tenant shall pay, upon the execution of this Lease, the sum of \$2,500.00 as security for the faithful performance of, and compliance with, all of the terms, covenants and conditions in this Lease. If the Tenant fails to comply with its obligations herein or shall surrender the Premises without the written consent of the Landlord, or is dispossessed therefrom or abandons the Premises prior to the expiration of the Term, then, and in that event, the security deposit shall belong to the Landlord as fixed, liquidated and agreed damages, in payment of such disbursements, costs and expenses which it may undergo for the purpose of regaining possession of the Premises and without limiting any other rights, remedies or damages of the Landlord. The Landlord shall apply the security deposit provided for herein against the total damages resulting from a breach of the terms of this Lease by the Tenant. If, however, all

terms, covenants and conditions are fully complied with by the Tenant, then, and in that event, the security deposit shall be returned to the Tenant on surrender of the Premises in a good state and condition as required by this Lease.

2.3 Payment as Rent: All of the payments set out in this Lease (other than GST (as hereinafter defined)) shall constitute additional rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of additional rent that is has against the Tenant for default in payment of rent.

2.4 Interest on Overdue Amounts: If the Tenant shall fail to pay any rent or other amount when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time the amount becomes due until paid by the Tenant.

2.5 HST: The Tenant shall pay to the Landlord all harmonized services taxes and other applicable taxes (collectively, "HST") on the rent and additional rent pursuant to all applicable laws and regulations. HST shall not be deemed to be additional rent under this Lease, but may be recovered by the Landlord as though it were additional rent.

2.6 Percentage Rent: Intentionally deleted.

3. Use

3.1 Use: The Tenant agrees to use the Premises only for the purpose of a Canadian food casual restaurant in a careful, prudent and lawful manner, for which use it shall be provided exclusive rights to operate within the Landlord's hotel property so long as it remains a tenant. The Landlord shall not lease any space in the Landlord's hotel property to a restaurant directly competitive to that of the Tenant's restaurant as determined by the Landlord, acting reasonably.

3.2 Quiet Enjoyment: The Tenant, upon paying the rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

4. Taxes and Utilities

4.1 Taxes: The Landlord shall pay all real estate taxes levied or assessed against the Premises as and when due.

4.2 Utilities: The Landlord agrees to pay for all reasonable utilities and services used or consumed in the Premises during the Term. The Tenant shall not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Premises.

5. Alterations and Repairs

5.1 Improvements and Alterations: No additions, modifications or alterations are to be made by the Tenant without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. All such additions, modifications or alterations consented to by the Landlord are to be made only at the expense of the Tenant. Upon affixation, such additions, modifications or alterations shall immediately become the property of the Landlord and shall be regarded for all purposes as part of the Premises. Any and all such additions, alterations and modifications shall be made in accordance with all applicable laws and regulations. The Tenant agrees that it shall, upon request of the Landlord, at the end of the Term or other expiration of this Lease, put the Premises back in the same condition as when the Tenant took possession, except to the extent that any addition, alteration or modification had been previously consented to by Landlord. If any construction or other lien or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien or orders against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

5.2 Maintenance and Repair: The maintenance and repair of the Premises shall be governed as follows:

- (a) the Landlord shall, at its expense, maintain and keep in good repair the roof, loading-bearing walls, foundation and structural portions of the Premises (but excluding items that are the responsibility of the Tenant herein);
- (b) the Tenant shall be responsible, at its expense, for the day-to-day maintenance and repair of the Premises, including, without limitation, plumbing fixtures, all facilities and equipment providing water, light and heat which are located within the Premises and all decorating and redecorating of the Premises, including the floor coverings and painting and maintenance of all walls (exterior and interior), and shall make any and all other repairs due to the negligence or misuse of Premises by the Tenant (except to the extent covered by Landlord's insurance); and
- (c) the Landlord shall be responsible, at its expense, for any required replacement and for any required major capital repairs to all service and utilities lines serving the Premises and to all heating, ventilation and air-conditioning equipment that existed at the beginning of the Term.

5.3 Compliance with Laws: The Tenant shall, at its own expense, comply with all applicable laws and regulations affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of its fire insurance underwriters.

5.4 Signs: The Tenant shall have the right, at all times during the Term, at its own expense, to erect or cause to be erected such signs upon the Premises as it deems desirable, provided

5. Alterations and Repairs

5.1 Improvements and Alterations: No additions, modifications or alterations are to be made by the Tenant without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. All such additions, modifications or alterations consented to by the Landlord are to be made only at the expense of the Tenant. Upon affixation, such additions, modifications or alterations shall immediately become the property of the Landlord and shall be regarded for all purposes as part of the Premises. Any and all such additions, alterations and modifications shall be made in accordance with all applicable laws and regulations. The Tenant agrees that it shall, upon request of the Landlord, at the end of the Term or other expiration of this Lease, put the Premises back in the same condition as when the Tenant took possession, except to the extent that any addition, alteration or modification had been previously consented to by Landlord. If any construction or other lien or order for the payment of money shall be filed against the Premises by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien or orders against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

5.2 Maintenance and Repair: The maintenance and repair of the Premises shall be governed as follows:

- (a) the Landlord shall, at its expense, maintain and keep in good repair the roof, loading-bearing walls, foundation and structural portions of the Premises (but excluding items that are the responsibility of the Tenant herein);
- (b) the Tenant shall be responsible, at its expense, for the day-to-day maintenance and repair of the Premises, including, without limitation, plumbing fixtures, all facilities and equipment providing water, light and heat which are located within the Premises and all decorating and redecorating of the Premises, including the floor coverings and painting and maintenance of all walls (exterior and interior), and shall make any and all other repairs due to the negligence or misuse of Premises by the Tenant (except to the extent covered by Landlord's insurance); and
- (c) the Landlord shall be responsible, at its expense, for any required replacement and for any required major capital repairs to all service and utilities lines serving the Premises and to all heating, ventilation and air-conditioning equipment that existed at the beginning of the Term.

5.3 Compliance with Laws: The Tenant shall, at its own expense, comply with all applicable laws and regulations affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of its fire insurance underwriters.

5.4 Signs: The Tenant shall have the right, at all times during the Term, at its own expense, to erect or cause to be erected such signs upon the Premises as it deems desirable, provided

however, that no exterior signs shall be so erected without the consent of the Landlord. The erection and maintenance of any and all such signs shall be in conformity with the requirements of all applicable laws and regulations.

6. Insurance, Releases and Indemnity

6.1 Landlord's Insurance: The Landlord shall obtain and maintain in full force and effect, fire and extended insurance coverage on the Premises in amounts satisfactory to Landlord, acting reasonably.

6.2 Tenant's Insurance: The Tenant shall obtain and maintain in force and effect, the following insurance:

- (a) fire and extended insurance coverage on all property of the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than two million dollars (\$2,000,000.00) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises; and
- (d) such other forms of insurance as may be reasonably required by the Landlord and any mortgagee of the Premises from time to time.

The Tenant shall, upon request, provide to the Landlord certificates or policies of insurance evidencing compliance with the foregoing requirements.

6.3 Mutual Release: The parties hereby release each other as follows: (a) the Landlord hereby releases the Tenant with respect to any and all liability (including that derived from the fault or neglect of the Tenant, its subsidiaries, its parent company, assignees, subtenants, agents, employees or other persons under its direction or control) which the Tenant might otherwise have for any damage to or destruction of the Premises and any personal property of the Landlord, by fire, other casualty or cause which the Landlord is required to insure against pursuant to the terms of this Lease or has otherwise insured, and (b) the Tenant hereby releases the Landlord with respect to any and all liability (including that derived from the fault or neglect of the Landlord, its

subsidiaries, its parent company, assignees, agents, employees or other persons under its direction or control) which the Landlord might otherwise have for any damage to or destruction of the Premises and any personal property of the Tenant, by fire, other casualty or cause which the Tenant is required to insure against pursuant to the terms of this Lease or has otherwise insured.

6.4 Further Release of Landlord: Without limiting any other provisions herein, the Landlord shall not be liable for any damage resulting from the interruption of the Tenant's business caused by fire or other hazards (whether insured or not) or interruption of utilities or for any indirect or consequential damages, whether or not attributable to the negligence of the Landlord, and the Tenant does hereby expressly release the Landlord of and from any and all liability for such damage.

6.5 Indemnity: The Tenant shall indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; and (c) arising from any breach by the Tenant of any provision of this Lease.

7. Environmental Matters and Pest Control

7.1 Hazardous Materials: Intentionally deleted.

7.2 Pest Control: In the event an unreasonable number of pets or rodents are observed within the Premises, then the Tenant shall engage, at its sole cost and expense, such pest extermination contractor for the Premises as the Landlord directs at such intervals as the Landlord requires. In the event that the Tenant fails to engage such pest extermination contractor as the Landlord directs at such intervals as the Landlord requires, or if the Landlord, in its sole discretion, determines that the Tenant's pest extermination contractor is not performing its duties effectively, the Landlord may, without notice, engage its own pest extermination contractor on the Tenant's behalf and at the Tenant's sole cost and expense, without incurring any liability in respect thereof, and the Tenant shall pay to the Landlord the cost of the Landlord's pest extermination contractor together with an administration fee of fifteen percent (15%) of the total cost.

7.3 Nuisance: The Tenant shall not commit, cause or permit any nuisance or waste on the Premises or permit the emission of any offensive substance, odour or noise from the Premises. The Tenant shall not permit or allow any overloading of the floors of the Premises, and shall not bring into the Premises any articles or fixtures that, by reason of their weight, use or size, might damage or endanger the Premises.

8. Damage or Destruction

8.1 Damage or Destruction of the Premises: If the Premises or any portion thereof is damaged or destroyed by fire or by other casualty:

- (a) rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work;
- (b) if the Premises cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;
- (c) in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Premises or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose or, in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Premises, the Landlord may elect, within thirty (30) days of such damage or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord;
- (d) the Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. In performing any reconstruction or repair, the Landlord may effect reasonable changes to the Premises and its equipment and systems; and
- (e) any decisions regarding the extent to which the Premises has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding upon the parties.

9. Right to Enter

9.1 Landlord's Right to Enter: The Landlord and its agents may, at all reasonable times upon reasonable notice, enter upon the Premises to view the condition thereof or to make such repairs or alterations as the Landlord may be required to make or may deem necessary for the safety,

improvement or preservation of the Premises or for the purpose of exhibiting the Premises to prospective mortgagees and/or purchasers. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, without notice to or consent by the Tenant, at any time during the last nine (9) months of the Term, on reasonable prior notice, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.

10. Sublease, Assignment and Sale

10.1 Sublease and Assignment: The Tenant shall not sublet the Premises in whole or in part or assign or charge or encumber this Lease or any interest therein or otherwise part with or share possession of the Premises (any of the foregoing being a "Transfer") without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. The following shall apply in connection with any Transfer:

- (a) requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, phone numbers, business experience, credit and financial information and banking references of the party to whom the Transfer is to be made (the "Transferee"). The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require;
- (b) notwithstanding any Transfer the Tenant shall remain fully liable to pay rent and to perform all of the covenants, terms and conditions herein contained. The Landlord may collect rent from the Transferee, and apply the net amount collected to the rent payable hereunder, but no such Transfer or collection, or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant;
- (c) without limiting any other basis upon which the Landlord may reasonably withhold consent, the Landlord shall not be obligated to provide its consent if the Tenant is in default under this Lease or the Landlord is not satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (d) upon request of the Landlord the Transferee shall enter into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease; and
- (e) the Tenant shall pay to the Landlord, prior to receiving such consent, the Landlord's reasonable administrative fees and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer.

10.2 Estoppel Certificate: The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the annual rent then being paid; (c) the dates to which annual rent, by installments or otherwise, and other additional rent or charges hereunder have been paid; (d)

whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

10.3 Subordination and Non-Disturbance: This Lease and all of the rights of the Tenant hereunder are, and shall at all times and at the option of the Landlord, be either: (a) subject and subordinate to any and all security granted by the Landlord now or hereinafter in force against the Premises; or (b) be in priority to any such security. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder or shall accept a subordination of any security in favour of this Lease, in such form or forms as the Landlord may require to any such security holder, and to all advances made or hereinafter to be made upon the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a security holder to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the security holder.

Upon receiving a request in writing from the Tenant and so long as the Tenant is not in default of the Lease, the Landlord agrees to provide reasonable commercial efforts to obtain for the Tenant a non disturbance agreement in writing from the Landlord's primary mortgagee.

10.4 Sale, by Landlord: In the event of the sale or lease by the Landlord of its interest in the Premises or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

10.5 Change of Control: In the event that the Tenant proposes to transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, any part or all of the corporate shares of the Tenant and of any direct or indirect parent corporation of the Tenant so as to result in any change in the present effective voting control of the Tenant by the party or parties holding such voting control at the date of commencement of this Lease, such transaction shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. The Tenant and any direct or indirect parent corporation of the Tenant shall make available to the Landlord, or to its lawful representatives, such non-financial books and records, including but not limited to the minute book, of the Tenant for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change of control. This provision shall not apply if the Tenant is a public company listed on a recognized stock exchange or a subsidiary of such a public company. The minute book of the Tenant and of any direct or indirect parent corporation of the Tenant shall be complete and accurate and reflect all material actions taken and resolutions passed by the directors and shareholders of the Company since the date of its incorporation and all such meetings were duly called and held and the share certificate books, register of shareholders, register of transfer and registers of directors shall be complete and accurate. The Tenant represents and warrants that the certificate of incumbency in Schedule "B" is true and correct.

11. Default and Remedies

11.1 Events of Default: The Tenant shall be in default upon the occurrence of any of the following (all of which are "Events of Default"):

- (a) any rent or other amount due is not paid within ten (10) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days or such shorter period, the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Guarantor becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Guarantor;
- (e) the Tenant or any Guarantor makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;
 - (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
 - (j) any insurance policy covering any part of the Premises is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a

result of any action or omission by the Tenant or any person for whom it is legally responsible.

11.2 Landlord Remedies: If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 11.2(a) or proceeding under Section 11.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 11.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, or sell or otherwise dispose of such property in such manner as the Landlord sees fit, without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than rent, and third, to the payment of rent in arrears, with the residue to be held by the Landlord and applied to payment of future rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord

terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and

- (e) to recover from the Tenant the full amount of the current month's rent together with the next three months' installments of rent, all of which shall immediately become due and payable as accelerated rent.

11.3 Distress: Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

11.4 Costs: The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative: Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

12. Miscellaneous

12.1 Notices: Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the following addresses:

to the Landlord: 250 Consumers Road, Suite 702, North York, Ontario M2J 4V6
to the Tenant: at the Premises

and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third (3rd) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed. Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

12.2 *Force Majeure*: Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section shall not under any circumstances operate to excuse the Tenant from prompt payment of rent and/or any other charges payable under this Lease.

12.3 *Waiver*: No waiver by any party hereto of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party hereto to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of rent by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such rent. All rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

12.4 *Registration*: Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Premises. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat.

12.5 *Interpretation*: Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease. If any Section or part or parts of a Section in this Lease are or become illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to co-operate with the Tenant in bringing such application.

12.6 *Overholding*: If, at the expiration of the Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be

from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of two hundred percent (200%) of the monthly installment of rent payable during the last year of the Term, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

12.7 Entire Agreement: There are no covenants, representations, warranties, agreements or other conditions, express or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties hereto.

12.8 Successors and Assigns: The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

12.9 Personal Information: Any Tenant or Guarantor that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Guarantor, as applicable (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

12.10 Guarantor: Intentionally deleted

12.11 Chattels: All of the furniture, fixtures, equipment and smallwares (the "Equipment") are the sole property of the Tenant. The Tenant shall be responsible for the maintenance, insurance and repair of the Equipment in a manner of a prudent owner acting reasonably.

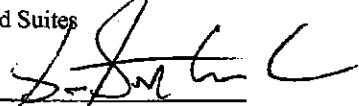
12.12 Radius Restriction: Intentionally deleted.

12.13 Landlord's Change: Intentionally deleted.

Deleted: 1

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

LANDLORD: 1733073 Ontario Inc. o/a Clarion Inn and Suites

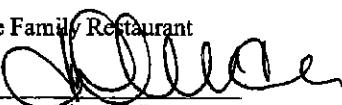
Per: 

Name: Siva Suthakaran

Title: President

I have the authority to bind the Corporation

TENANT: 1726463 Ontario Inc. o/a Golden Griddle Family Restaurant

Per: 

Name: Jennine De Luca

Title: President

I have the authority to bind the Corporation

Appendix L

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1726463	1726463 ONTARIO INC.		2007/02/16
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
1726463 ONTARIO INC 250 CONSUMERS ROAD		NOT APPLICABLE	NOT APPLICABLE
Suite # 702 TORONTO ONTARIO CANADA M2J 4V6		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
1726463 ONTARIO INC 250 CONSUMERS ROAD		Revival Date	Continuation Date
Suite # 702 TORONTO ONTARIO CANADA M2J 4V6		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	00001 00010	NOT APPLICABLE	NOT APPLICABLE

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1726463

Corporation Name

1726463 ONTARIO INC.

Corporate Name History

1726463 ONTARIO INC.

Effective Date

2007/02/16

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

JENNINE

DE LUCA

Address

250 CONSUMERS ROAD
Suite # 702
NORTH YORK
ONTARIO
CANADA M2J 4V6

Date Began

2008/03/31

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

1726463

Corporation Name

1726463 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

JENNINE

DE LUCA

Address

250 CONSUMERS ROAD
Suite # 702
NORTH YORK
ONTARIO
CANADA M2J 4V6

Date Began

2008/03/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JENNINE

DE LUCA

Address

250 CONSUMERS ROAD
Suite # 702
NORTH YORK
ONTARIO
CANADA M2J 4V6

Date Began

2008/03/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

AUTH'D SIGNING OFFICER

Resident Canadian

Y

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1726463

Corporation Name

1726463 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

JENNINE

DELUCA

Address

250 CONSUMERS ROAD
Suite # 702
TORONTO
ONTARIO
CANADA M2J 4V6

Date Began

2008/10/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

JENNINE

DELUCA

Address

250 CONSUMERS ROAD
Suite # 702
TORONTO
ONTARIO
CANADA M2J 4V6

Date Began

2008/10/21

First Director

NOT APPLICABLE

Designation

OFFICER

Resident Canadian

Y

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1726463

Corporation Name

1726463 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

SIVARAMALINGAM

SUTHAKARAN

Address

250 CONSUMERS ROAD

Suite # 702
NORTH YORK
ONTARIO
CANADA M2J 4V6

Date Began

2007/02/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIR

Resident Canadian

Y

Request ID: 013210563
Transaction ID: 44462130
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2011/05/30
Time Report Produced: 16:26:21
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

1726463

Corporation Name

1726463 ONTARIO INC.

Last Document Recorded

Act/Code Description	Form	Date
CIA CHANGE NOTICE	1	2008/11/19

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1892, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

Appendix M

Heenan Blaikie

BY COURIER

Of Counsel

The Right Honourable Pierre Elliott Trudeau, P.C., C.C., C.H., Q.C., FRSC (1984 - 2000)
The Right Honourable Jean Chrétien, P.C., C.C., O.M., Q.C.
The Honourable Donald J. Johnston, P.C., O.C., Q.C.
Pierre Marc Johnson, G.O.Q., FRSC
The Honourable Michel Bastarache, C.C.
The Honourable René Dussault, O.C., O.Q., FRSC, Ad. E.
The Honourable John W. Morden
Peter M. Blaikie, Q.C.
André Bureau, O.C.

June 9, 2011

2245632 Ontario Inc.
o/a The Silk Route Restaurant
211 Pinnacle Street
Belleville, Ontario
K8N 3A7

2245632 Ontario Inc.
o/a The Silk Route Restaurant
250 Consumers Rd., Suite 701
Toronto, ON M2J 4V6

Attention: Jennine De Luca

Re: Court-appointed Receivership of 1733073 Ontario Inc. o/a Hotel Quinte (the "Company")

Dear Ms. De Luca:

Sara-Ann Wilson

T 416 777.4171
F 1 866 643.9078
sawilson@heenan.ca

Bay Adelaide Centre
333 Bay Street, Suite 2900
P.O. Box 2900
Toronto, Ontario
Canada M5H 2T4
heenanblaikie.com

As you are aware, we are counsel to PricewaterhouseCoopers Inc. in its capacity as receiver (the "Receiver") of the Company.

We refer to the lease dated July 1, 2009 (the "2009 Lease") pursuant to which the Company leased to 1066056 Ontario Inc. (the "Tenant") certain of the Company's hotel property comprising 3,500 square feet, located on the main floor, municipally located at 211 Pinnacle Street, Belleville, Ontario (the "Premises"). The term of the 2009 Lease is three (3) years commencing July 1, 2009 and terminating June 30, 2012. A copy of the 2009 Lease is attached hereto for your reference.

We also refer to the lease dated March 1, 2011 (the "2011 Lease") pursuant to which the Company purports to enter into a leasing arrangement in respect of the Premises with 2245632 Ontario Inc. (the "Purported New Tenant").

Pursuant to the Notice of Assignment of Rents, registered with the Belleville Land Registry Office on July 13, 2007 as instrument number HT35136, the Company agreed that it will not alter the terms of all present and future leases of the Premises, including, without limitation, the amount of rent payable and the length of each lease's term,

without the prior written consent of General Electric Canada Real Estate Finance Inc. (the "Mortgagee"). The Receiver understands that the Company did not advise the Mortgagee of, (a) the Company's intention to enter into the 2011 Lease, or (b) any assignment of the rights in the Premises from the Tenant to the Purported New Tenant. Furthermore, the Mortgagee did not consent to, (a) the terms of the 2011 Lease, (b) the Purported New Tenant as a suitable tenant for the Premises, or (c) any amendments to the rental term duration or monthly rental amount as outlined in the 2009 Lease.

On behalf of the Receiver, we hereby advise that the 2011 Lease is not binding on the Receiver and is of no force and effect.

We have been advised that, notwithstanding the existence of the 2009 Lease and the ineffectiveness of the 2011 Lease, the Purported New Tenant has occupied the Premises for the period from March 1, 2011 to present. We have been further advised that no rental payments have been made in respect of the Premises for the period from March 1, 2011 to present. Pursuant to the terms of the 2009 Lease, the total amount of occupation rent owing in respect of such period as at June 9, 2011 is \$20,000, as more particularly detailed in the attached Schedule "A", (the "Overdue Occupation Rent"). The Purported New Tenant's occupation of the Premises for the period from March 1, 2011 to present gives rise to the liability to pay the Overdue Occupation Rent.

On behalf of the Receiver, we hereby demand payment from you of the amount of \$20,000 in respect of the Overdue Occupation Rent by no later than 5:00 p.m. on June 20, 2011 (the "Due Date").

This letter shall by no means create or be construed to create any type of landlord and tenant relationship involving any of the Purported New Tenant on the one hand, and the Company, the Receiver or the Mortgagee on the other. The Purported New Tenant's continued occupation of the Premises is entirely at the sole discretion of the Receiver and the Receiver reserves its right to terminate the Purported New Tenant's occupation of the Premises in the event of a sale by the Receiver of the Premises or if the Purported New Tenant does not pay the Overdue Occupation Rent by the Due Date.

Heenan Blaikie LLP



Sara-Ann Wilson
SW/mh

cc: Michelle Pickett, *PricewaterhouseCoopers Inc.*
cc: John Kulathungam, *Teplitsky Colson LLP*

Schedule "A"

Overdue Occupation Rent as at June 9, 2011

Month	Rent
March	\$5,000
April	\$5,000
May	\$5,000
June	\$5,000
Total	\$20,000

Heenan Blaikie

BY COURIER

Of Counsel

The Right Honourable Pierre Elliott Trudeau, P.C., C.C., C.H., Q.C., FRSC (1984 - 2000)
The Right Honourable Jean Chrétien, P.C., C.C., O.M., Q.C.
The Honourable Donald J. Johnson, P.C., O.C., Q.C.
Pierre Marc Johnson, G.O.Q., FRSC
The Honourable Michel Bastarache, C.C.
The Honourable René Dussault, O.C., O.Q., FRSC, Ad. E.
The Honourable John W. Morden
Peter M. Blaikie, Q.C.
André Bureau, O.C.

June 9, 2011

1726463 Ontario Inc.
o/a Golden Griddle Family Restaurant
211 Pinnacle Street
Belleville, ON K8N 3A7

1726463 Ontario Inc.
o/a Golden Griddle Family Restaurant
250 Consumers Rd., Suite 702
Toronto, ON M2J 4V6

Attention: Jennine De Luca

Re: Court-appointed Receivership of 1733073 Ontario Inc. o/a Hotel Quinte (the "Company")

Dear Ms. De Luca:

As you are aware, we are counsel to PricewaterhouseCoopers Inc. in its capacity as receiver (the "Receiver") of the Company.

Sara-Ann Wilson

T 416 777.4171
F 1 866 643.9078
sawilson@heenan.ca

Bay Adelaide Centre
333 Bay Street, Suite 2900
P.O. Box 2900
Toronto, Ontario
Canada M5H 2T4
heenanblaikie.com

We refer to the lease dated June 1, 2008 (the "2008 Lease") pursuant to which the Company leased to 1769143 Ontario Inc. (the "Tenant") certain of the Company's hotel property comprising 2,600 square feet, facing south on Bridge Street, located on the main floor, municipally located at 211 Pinnacle Street, Belleville, Ontario (the "Premises"). The term of the 2008 Lease is ten (10) years commencing July 15, 2008. A copy of the 2008 Lease is attached hereto for your reference.

We also refer to the lease dated March 1, 2011 (the "2011 Lease") pursuant to which the Company purports to enter into a leasing arrangement in respect of the Premises with 1726463 Ontario Inc. (the "Purported New Tenant").

Pursuant to the Notice of Assignment of Rents, registered with the Belleville Land Registry Office on July 13, 2007 as instrument number HT35136, the Company agreed that it will not alter the terms of all present and future leases of the Premises, including, without limitation, the amount of rent payable and the length of each lease's term, without the prior written consent of General Electric Canada Real Estate Finance Inc.

(the "Mortgagee"). The Receiver understands that the Company did not advise the Mortgagee of, (a) the Company's intention to enter into the 2011 Lease, or (b) any assignment of the rights in the Premises from the Tenant to the Purported New Tenant. Furthermore, the Mortgagee did not consent to, (a) the terms of the 2011 Lease, (b) the Purported New Tenant as a suitable tenant for the Premises, or (c) any amendments to the rental term duration or monthly rental amount as outlined in the 2008 Lease.

On behalf of the Receiver, we hereby advise that the 2011 Lease is not binding on the Receiver and is of no force and effect.

We have been advised that, notwithstanding the existence of the 2008 Lease and the ineffectiveness of the 2011 Lease, the Purported New Tenant has occupied the Premises for the period from March 1, 2011 to present. We have been further advised that no rental payments have been made in respect of the Premises for the period from March 1, 2011 to present. Pursuant to the terms of the 2008 Lease, the total amount of occupation rent owing in respect of such period including HST and interest, as at June 9, 2011, is \$25,539.38, as more particularly detailed in the attached Schedule "A", (the "Overdue Occupation Rent"). The Purported New Tenant's occupation of the Premises for the period from March 1, 2011 to present gives rise to the liability to pay the Overdue Occupation Rent.

On behalf of the Receiver, we hereby demand payment from you of the amount of the Overdue Occupation Rent, together with all interest accruing after the date hereof (the "Amount Due") by no later than 5:00 p.m. on June 20, 2011 (the "Due Date"). As at today's date, interest is accruing in the amount of \$12.71 per day.

This letter shall by no means create or be construed to create any type of landlord and tenant relationship involving any of the Purported New Tenant on the one hand, and the Company, the Receiver or the Mortgagee on the other. The Purported New Tenant's continued occupation of the Premises is entirely at the sole discretion of the Receiver and the Receiver reserves its right to terminate the Purported New Tenant's occupation of the Premises in the event of a sale by the Receiver of the Premises or if the Purported New Tenant does not pay the Amount Due by the Due Date.

Heenan Blaikie LLP


Sara-Ann Wilson
SW/mh

cc: Michelle Pickett, *PricewaterhouseCoopers Inc.*
cc. John Kulathungam, *Teplitsky Colson LLP*

Schedule "A"

Overdue Occupation Rent as at June 9, 2011

Month	Rent	HST	Accrued interest*	Total
March	\$5,500	715.00	313.14	6,528.14
April	\$5,500	715.00	216.66	6,431.66
May	\$5,500	715.00	121.61	6,336.61
June	\$5,500	715.00	27.67	6,242.97
Total	\$22,000	\$2860.00	\$679.38	\$25,539.38

* at the rate of 18% per annum (calculated monthly at the rate of 1.5%)

The per diem interest on the Amount Due is \$12.71 for the month of June, 2011.

Appendix N

Heenan Blaikie

BY COURIER

Of Counsel

The Right Honourable Pierre Elliott Trudeau, P.C., C.C., C.H., Q.C., FRSC (1964 - 2000)
The Right Honourable Jean Chrétien, P.C., C.C., O.M., Q.C.
The Honourable Donald J. Johnston, P.C., O.C., Q.C.
Pierre Marc Johnson, G.O.Q., FRSC
The Honourable Michel Bastarache, C.C.
The Honourable René Dussault, O.C., O.Q., FRSC, Ad. E.
The Honourable John W. Morden
Peter M. Blaikie, Q.C.
André Bureau, O.C.

June 9, 2011

1066056 Ontario Inc.
o/a The Silk Route Restaurant
211 Pinnacle Street
Belleville, ON K8N 3A7

1066056 Ontario Inc.
o/a The Silk Route Restaurant
166 Bridge Street East
Belleville, Ontario K8N 1N1

Attention: Alnoor Jinah & Nazim Jinnah

Re: Court-appointed Receivership of 1733073 Ontario Inc. o/a Hotel Quinte (the "Company")

Dear Sirs :

We are counsel to PricewaterhouseCoopers Inc. in its capacity as receiver (the "Receiver") of the Company.

Sara-Ann Wilson

T 416 777.4171
F 1 866 643.9078
sawilson@heenan.ca

Bay Adelaide Centre
333 Bay Street, Suite 2900
P.O. Box 2900
Toronto, Ontario
Canada M5H 2T4
heenanblaikie.com

We refer to the lease dated July 1, 2009 (the "Lease") pursuant to which the Company leased to 1066056 Ontario Inc. (the "Tenant") certain of the Company's hotel property comprising 3,500 square feet, located on the main floor, municipally located at 211 Pinnacle Street, Belleville, Ontario (the "Premises"). The term of the Lease is three (3) years commencing July 1, 2009 and terminating June 30, 2012.

The Receiver is not aware of any agreement or arrangement pursuant to which the Tenant and the Company purported to terminate the Lease. In any event, pursuant to the Notice of Assignment of Rents, registered with the Belleville Land Registry Office on July 13, 2007 as instrument number HT35136, the Company agreed that it will not alter the terms of all present and future leases of the Premises, including, without limitation, the amount of rent payable and the length of each lease's term, without the prior written consent of General Electric Canada Real Estate Finance Inc. (the "Mortgagee"). The Receiver understands that the Company did not advise the Mortgagee of any termination of the Lease or any assignment of the rights in the

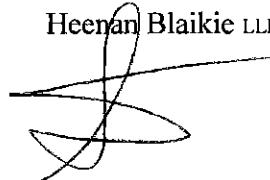
Premises from the Tenant to a new tenant. Furthermore, the Mortgagee did not consent to the termination of the Lease or to any amendments to the three (3) year rental term prescribed by the Lease.

We have been advised that no rental payments have been made in respect of the Premises for the period from March 1, 2011 to present. Pursuant to the terms of the Lease, the total amount of rent owing as at June 9, 2011 is \$20,000, as more particularly detailed in the attached Schedule "A", (the "Overdue Rent").

On behalf of the Receiver, we hereby demand payment from you of the amount of \$20,000 in respect of the Overdue Rent by no later than 5:00 p.m. on June 20, 2011 (the "Due Date").

The Receiver reserves its right to terminate the Lease in the event of a sale by the Receiver of the Premises or if the Tenant does not pay the Overdue Rent by the Due Date.

Heenan Blaikie LLP



Sara-Ann Wilson
SW/mh

cc: Michelle Pickett, *PricewaterhouseCoopers Inc.*
cc. John Kulathungam, *Teplitsky Colson LLP*

Schedule "A"

Overdue Occupation Rent as at June 9, 2011

Month	Rent
March	\$5,000
April	\$5,000
May	\$5,000
June	\$5,000
Total	\$20,000

Heenan Blaikie

BY COURIER

Of Counsel

The Right Honourable Pierre Elliott Trudeau, P.C., C.C., C.H., Q.C., FRSC (1984 - 2000)
The Right Honourable Jean Chrétien, P.C., C.C., O.M., Q.C.
The Honourable Donald J. Johnston, P.C., O.C., Q.C.
Pierre Marc Johnson, G.O.Q., FRSC
The Honourable Michel Bastarache, C.C.
The Honourable René Dussault, O.C., O.Q., FRSC, Ad. E.
The Honourable John W. Morden
Peter M. Blaikie, Q.C.
André Bureau, O.C.

June 9, 2011

1769143 Ontario Inc.
o/a Golden Griddle Family Restaurant
211 Pinnacle Street
Belleville, ON K8N 3A7

Attention: Priya Padmanabhan

Re: Court-appointed Receivership of 1733073 Ontario Inc. o/a Hotel Quinte (the "Company")

Dear Ms. Padmanabhan:

We are counsel to PricewaterhouseCoopers Inc. in its capacity as receiver (the "Receiver") of the Company.

Sara-Ann Wilson

T 416 777.4171
F 1 866 643.9078
sawilson@heenan.ca

Bay Adelaide Centre
333 Bay Street, Suite 2900
P.O. Box 2900
Toronto, Ontario
Canada M5H 2T4
heenanblaikie.com

We refer to the lease dated June 1, 2008 (the "Lease") pursuant to which the Company leased to 1769143 Ontario Inc. (the "Tenant") certain of the Company's hotel property comprising 2,600 square feet, facing south on Bridge Street, located on the main floor, municipally located at 211 Pinnacle Street, Belleville, Ontario (the "Premises"). The term of the Lease is ten (10) years commencing July 15, 2008.

The Receiver is not aware of any agreement or arrangement pursuant to which the Tenant and the Company purported to terminate the Lease. In any event, pursuant to the Notice of Assignment of Rents, registered with the Belleville Land Registry Office on July 13, 2007 as instrument number HT35136, the Company agreed that it will not alter the terms of all present and future leases of the Premises, including, without limitation, the amount of rent payable and the length of each lease's term, without the prior written consent of General Electric Canada Real Estate Finance Inc. (the "Mortgagee"). The Receiver understands that the Company did not advise the Mortgagee of any termination of the Lease or any assignment of the rights in the Premises from the Tenant to a new tenant. Furthermore, the Mortgagee did not consent

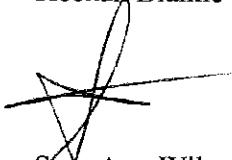
to the termination of the Lease or to any amendments to the ten (10) year rental term prescribed by the Lease.

We have been advised that no rental payments have been made in respect of the Premises for the period from March 1, 2011 to present. Pursuant to the terms of the Lease, the total amount of rent owing including HST and interest, as at June 9, 2011, is \$25,539.38, as more particularly detailed in the attached Schedule "A", (the "Overdue Rent").

On behalf of the Receiver, we hereby demand payment from you of the amount of the Overdue Rent, together with all interest accruing after the date hereof (the "Amount Due") by no later than 5:00 p.m. on June 20, 2011 (the "Due Date"). As at today's date, interest is accruing in the amount of \$12.71 per day.

The Receiver reserves its right to terminate the Lease in the event of a sale by the Receiver of the Premises or if the Tenant does not pay the Amount Due by the Due Date.

Heenan Blaikie LLP



Sara-Ann Wilson
SW/mh

cc: Michelle Pickett, *PricewaterhouseCoopers Inc.*
cc. John Kulathungam, *Teplitsky Colson LLP*

Schedule "A"

Overdue Rent as at June 9, 2011

Month	Rent	HST	Accrued interest*	Total
March	\$5,500	715.00	313.14	6,528.14
April	\$5,500	715.00	216.66	6,431.66
May	\$5,500	715.00	121.61	6,336.61
June	\$5,500	715.00	27.67	6,242.97
Total	\$22,000	\$2860.00	\$679.38	\$25,539.38

* at the rate of 18% per annum (calculated monthly at the rate of 1.5%)

The per diem interest on the Amount Due is \$12.71 for the month of June, 2011.

Appendix O

Name: 1733073 ONTARIO INC. (HOTEL QUINNED)	Home Phone No.: 1-416-790-9912	Business Phone No.: 1-416-790-9912
INTERNAL USE ONLY INFRACTION DEPT.	DATE SENT O	
		T

Gas Technician Information

Company Name Of Contractor: Union Gas	TSSA Contractor's Registration No.: 0024031001
Gas Technician's Name: R M. GUINNESS	Gas Technician's Certificate No.: or Union Gas Employee No.: 23d962
Phone No.: 1-877-969-0999	Fax No.: 1-866-396-5151

Infraction Information

DATE 2011/06/16	CONDITION FOUND
<input checked="" type="checkbox"/> A The appliance and/or piping is unsafe - the appliance has had its supply of gas turned off for the reasons listed below.	
<input type="checkbox"/> TECHNICAL STANDARDS AND SAFETY AUTHORITY NOTIFIED (IF REPORTABLE INCIDENT) DO NOT REPAIR OR DISTURB UNTIL AUTHORIZED BY TSSA (THE PROVINCIAL ENFORCING AUTHORITY)	
<input type="checkbox"/> B The appliance and/or piping is in an unacceptable condition, but does not constitute an immediate hazard. However, corrections are required for your protection. To comply with Government Regulations, the corrections listed below must be completed within 49 days. Due date will NOT be a Friday, Saturday, Sunday or Statutory Holiday. In these cases DUE DATE will be previous Thursday. If not corrected the gas supply will be disconnected on DUE DATE and charges will apply.	

Customer Signature: *R M. GUINNESS* Technician's Signature: *R M. GUINNESS*

Description of Condition to be Corrected: (Be Specific)				Clause Reference Required
1 Appliance Type FIREPLACE	Manufacturer N/A	Model N/A	Serial No.: N/A	6:16.7
2ND FLOOR BEDROOM #338 - COPPER PIPING NOT SLEEVED OR TAPE THRU BRICK WALL.				

Date "Condition" Corrected: Description of Correction:

Description of Condition to be Corrected: (Be Specific)				Clause Reference Required
2 Appliance Type FIREPLACE	Manufacturer N/A	Model N/A	Serial No.: N/A	6:18.2
2ND FLOOR BEDROOM #338 - SHUT-OFF VALVE NOT READILY-ACCESSIBLE.				

Date "Condition" Corrected: Description of Correction:

Description of Condition to be Corrected: (Be Specific)				Clause Reference Required
3 Appliance Type N/A	Manufacturer N/A	Model N/A	Serial No.: N/A	6:18.2
VALVES IN BOILER ROOM NOT READILY- ACCESSIBLE & NO TAGS TO TELL WHAT APPLIANCE THEY ARE CONNECTED TO. 1 - ABOVE DRYER, 1 - BETWEEN BOILER & 1" DRYER				

Date "Condition" Corrected: Description of Correction: **1 - ABOVE DRYER.**

Description continued:

Correction Report - to be forwarded to Union Gas by gas technician completing work

Gas Technician's Name:	Technician's Certificate No.:	Technician's Signature:
Company Name:	TSSA Contractor's Registration No.:	
Company Phone No.:	Company Fax No.:	

Appendix P

Violation - Corrections Required

work order/meter #

2406341

DIIN #

PREMISE #

1133201

* All Fields Must Be Completed. Please Press Firmly *

Gas Technician to:

- 1) Notify the user verbally and give written notice.
- 2) Copy of infraction posted to or near appliance -NOTE- use separate form per appliance.
- 3) Notify Union Gas immediately call 1-866-298-7888 (for Contractors Only)
- 4) Fax or mail notice to Union Gas Limited FAX 1-866-396-5151

Street: #54 BRIDGE ST EAST

Municipality (City/Town):

BELLVILLE ONT

Name: 1733673 ONTARIO INC.

Home Phone #:

Business Phone #: 1-416-496-9913

INTERNAL
USE ONLY
INFRACTION
DEPT.

DATE SENT

O

T

Gas Technician Information

Company Name Of Contractor:

TSSA Contractor's Registration #:

Gas Technician's Name: R. BENTLEY

Gas Technician's Certificate # or Union Gas Employee #:

232678

Phone #:

Fax #:

Infraction Information

Date Condition Found

Appliance Type

Manufacturer

Model

Serial #

2011/06/17 RANGE

GARLAND

NA

NA

A The appliance and/or piping is unsafe - the appliance has had its supply of gas turned off for the reasons listed below.

TECHNICAL STANDARDS AND SAFETY AUTHORITY NOTIFIED (IF REPORTABLE INCIDENT)
DO NOT REPAIR OR DISTURB UNTIL AUTHORIZED BY TSSA (THE PROVINCIAL ENFORCING AUTHORITY)

B The appliance and/or piping is in an unacceptable condition, but does not constitute an immediate hazard. However, corrections are required for your protection. To comply with Government Regulations, the corrections listed below must be completed within 49 days. Due date will NOT be a Friday, Saturday, Sunday or Statutory Holiday. In these cases DUE DATE will be previous Thursday. If not corrected the gas supply will be discontinued on DUE DATE and charges will apply.

Description of Condition to be Corrected (Be Specific)

Clause Reference Required

IN KITCHEN SILK RATE RANGE IS UNSAFE

CAN/CSA B9.1-05

EMERGENCY VALVE FOR KITCHEN AND FIRE SURROUNDING

PAGE # 20

SYSTEM NOT ACCESSIBLE

CODE - 4.5.2

Customer Signature:

WILL NOT SIGN

Technician's Signature:

Robert Bentley

Correction Report - to be forwarded to Union Gas by gas technician completing work

Gas Technician's Name:

Robert Bentley

Technician's Certificate #:

0060809

Technician's Signature:

Robert Bentley

Company Name:

BENTLEY HEATING AND AIR

TSSA Contractor's Registration #:

R0039883001

Date "Condition" Corrected:

JUNE 22, 2011

Phone #:

613-966-1134

Fax #:

613-967-1800

Description of Correction:

REPAIR SAFETY VALVES AND CLEAN AND REPAIR APPLIANCES

Appendix Q

Ministry of the Solicitor General
and Correctional ServicesOffice of the
Fire Marshal

COPY

Fire safety inspection report

Date of Inspection Wed Apr 27, 2011	Date of Issue Thu Jun 9, 2011	Address of Property Hotel Quinte Belleville, ON K8P 1S5	File # HOTE001
Inspector Ellis, Glen	Telephone # 613-966-8929		
Fire Department Belleville Fire Department	Occupant Hotel Quinte		
Address of Department 72 MOIRA ST W Belleville, ON K8P 1S5	Owner Hotel Quinte	Telephone # OFFC 613-962-4531	
Person Contacted Owner	Address 211 PINNACLE ST Belleville, ON K8P 1S5		
<p><i>% Angela Cartwright</i></p> <p>During an inspection of the noted property, contraventions of the Ontario Fire Code were noted. Descriptions of the noted violations are listed below.</p>			

Violation Code	Page
2.6.1.12.B Commercial cooking equipment	

2.6.1.12. (1) Commercial cooking equipment shall be provided with exhaust and fire protection systems in conformance with NFPA 96, "Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations".

The kitchen hood system does not conform to NFPA 96. It is unable to catch and confine all cooking vapours and residues emanating from the cooking equipment. All cooking appliances need to be encapsulated under the hood. It is important that steps be taken immediately to bring your hood system up to code.

Note. This inspection report is only for the kitchen hood system in the Silk Route Restaurant

Failure to correct these violations by **Mon Jul 11, 2011** or as noted for each violation, may result in prosecution

Name of Recipient <i>Dropped off at Hotel.</i>	Name of Inspector Ellis, Glen
Signature	Signature <i>Glen Ellis</i>

Appendix R

MAILLORY'S FIRE SYSTEMS LTD.

KINGSTON (613) 545-3442	TRENTON (613) 392-5151	OSHAWA (905) 723-2290	PETERBOROUGH (705) 745-9020
-----------------------------------	----------------------------------	---------------------------------	---------------------------------------

Certificate of Inspection

For the semi-annual service of 1 x 4 Gallon Kidde
Wet Chemical System
Completed on: June - 22nd - 2016
EXPIRATION DATE: Dec - 26th - 2011
For the Premises: Silk Roast Rest.
Located at: 211 Pinacle St. Belleville, ON

All work done in accordance with N.F.P.A. 1 Regulations and All Authorities Having Jurisdiction.

Service Tech: Tina Mallory PLEASE PRINT

PLEASE PRINT

Appendix S

From: "ELLIS:GLENN" <gellis@city.belleville.on.ca>
To: Julia G. Davidson/CA/FAS/PwC@Americas-CA
Date: 06/23/2011 04:04 PM
Subject: RE: Hotel Quinte

Hi Julia,

This Hotel was required (Ontario Fire Code 9.9.1.2) to have a "Building Audit" completed in 2007. Our records indicate the owner of the day was provided with the information. We did not receive the required completed document. I have attached the audit guideline to assist you to have it completed, should it not have been done. It is 132 pages. Many of the Hotels used outside firms to complete the audit. If you do a Google search you may find a firm to do it.

Staff at the Hotel have had service persons remove an appliance from the hood. This has placed the appliances that are in use, under the hood.

The interior surfaces of the duct work from the hood to the outside of the building are required by NFPA 96 to be accessible for cleaning and inspection purposes. Currently it is not accessible.

Openings are required at the sides or at the top of the duct, whichever is more accessible, and at changes of direction (NFPA 96). Approved access panels are required in the duct work.

The exterior exhaust flow (exterior wall terminal) is required to be directed **perpendicularly outward** (N.F.P.A) from the wall face or upward. The current exhaust forces the grease laden vapour back against the building.

The wall termination shall be at least 10 feet from operable door or windows.

The interior of the hood duct work is extremely dirty. NFPA 96 compells the owner to have it cleaned regularly. It is my understanding that you are in the process of having a qualified company clean it. Please forward to this office documentation that it has been cleaned. It should be redone in 6 months or sooner.

The walls and ceiling in the Silk Route restaurant are discolored from the hood not being able to capture the grease laden vapor. Steps need to be taken to eliminate the existing grease from the ceiling and walls.

The hood canopy is not completely liquid tight. Some minor welding may correct the situation.

Since we were unable to gain complete access to the fan unit and duct work there are likely more issues that will be identified as not meeting NFPA 96. Again, I urge you to arrange with a knowledgeable contractor to bring the kitchen system in compliance.

As we discussed, should the restaurant close and the kitchen be mothballed, the duct work repairs would have to be done prior to opening.

The exterior fan unit is enclosed in a metal cabinet, high on the side of the Hotel. The hinge to this cabinet is broken. In my opinion, this broken steel door represents a **liability** to the Hotel should it fall onto a customer or even a customer's parked vehicle.

Please understand that the building owner is responsible to be in compliance with the Ontario Fire Code, as well as NFPA 96. I look forward to your continued co-operation with regards to fire safety.

Thank You

Glenn Ellis
Fire Prevention

From: julia.g.davidson@ca.pwc.com [mailto:julia.g.davidson@ca.pwc.com]

Sent: Thursday, June 23, 2011 10:14 AM

To: ELLIS:GLENN

Subject: Hotel Quinte

Hi Glen,

As requested, please send through some details on NFPA 96 so that we are clear as to why the hood does not conform.

Thank you again for your assistance in this matter. Please call me at the number below if you would like to discuss anything further.

Kind regards,

Julia G. Davidson

PricewaterhouseCoopers LLP (<http://www.pwc.com/ca>)
Royal Trust Tower, TD Centre, Suite 3000
Toronto, ON M5K 1G8
Telephone: +1 (416) 941-8383 ext 13507

Advisory Services
Julia.G.Davidson@ca.pwc.com

Please consider the environment before printing this email.

This e-mail is intended only for the person to whom it is addressed (the "addressee") and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use that a person other than the addressee makes of this communication is prohibited and any reliance or decisions made based on it, are the responsibility of such person. We accept no responsibility for any loss or damages suffered by any person other than the addressee as a result of decisions made or actions taken based on this communication or otherwise. If you received this in error, please contact the sender and destroy all copies of this e-mail.

Ce courriel est strictement réservé à l'usage de la personne à qui il est adressé (le destinataire). Il peut contenir de l'information privilégiée et confidentielle. L'examen, la réexpédition et la diffusion de ce message par une personne autre que son destinataire est interdite. Nous déclinons toute responsabilité à l'égard des pertes ou des dommages subis par une personne autre que le destinataire par suite de décisions ou de mesures fondées sur le contenu de cette communication ou autrement. Si vous avez reçu ce courriel par erreur, veuillez communiquer avec son expéditeur et en détruire toutes les copies.

This e-mail and any attachments may contain confidential and privileged information. If you are not the intended recipient, please notify the sender immediately by return e-mail, delete this e-mail and destroy any copies. Any dissemination or use of this information by a person other than the intended recipient is

unauthorized and may be illegal.
Audit (Comprehensive).mht



Hotel Retrofit Building

Appendix T

Fire safety inspection report

Office of the
Fire Marshal

Date of Inspection Thu Jun 23, 2011	Date of Issue Thu Jul 7, 2011	Address of Property Hotel Quinte 211 PINNACLE ST Belleville, ON K8N 3A7	File # HOTE001
Inspector Ellis, Glen	Telephone # 613-966-6929	Occupant Hotel Quinte	
Fire Department Belleville Fire Department	Address of Department 72 MOIRA ST W Belleville, ON K8P 1S5		
Address of Department 72 MOIRA ST W Belleville, ON K8P 1S5	Owner PricewaterhouseCoopers	Telephone # OFFC 613-941-8383 x13507	Address 211 PINNACLE ST Belleville, ON K8N 3A7
Person Contacted Owner			

During an inspection of the noted property, contraventions of the Ontario Fire Code were noted.
Descriptions of the noted violations are listed below.

Violation Code	Page
2.6.1.12.B Commercial cooking equipment	
2.6.1.12. (1) Commercial cooking equipment shall be provided with exhaust and fire protection systems in conformance with NFPA 96, "Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations".	
2.6.1.13.B Commercial cooking equipment	
2.6.1.13. Commercial cooking equipment exhaust and fire protection systems shall be maintained in conformance with NFPA 96, "Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations".	
9.9.1.2.B Building audit	
9.9.1.2. (1) A building audit shall be prepared and retained by the owner.	
(2) The building audit referred to in Sentence (1) shall identify and describe the existing building features in relation to the requirements of this Section, including	
(a) containment and control of a fire, including	
(i) fire separations,	
(ii) firewalls,	
(iii) construction assemblies,	
(iv) occupancy separations,	
(v) interior finishes,	

Name of Recipient Faxed to Julie Davidson	Name of Inspector Ellis, Glen
Signature	Signature Renell

Ministry of the Solicitor General
and Correctional ServicesOffice of the
Fire Marshal**Fire safety inspection report**

Date of Inspection Thu Jun 23, 2011	Date of Issue Thu Jul 7, 2011	Address of Property Hotel Quinte 211 PINNACLE ST Belleville, ON K8N 3A7	File # HOTE001
Inspector Ellis, Glen	Telephone # 613-966-6929	Occupant Hotel Quinte	
Fire Department Belleville Fire Department	Address of Department 72 MOIRA ST W Belleville, ON K8P 1S5		
Person Contacted Owner	Owner PricewaterhouseCoopers	Telephone # OFFC 613-941-8383 x13507	Address 211 PINNACLE ST Belleville, ON K8N 3A7

- (vi) smoke control,
- (vii) heating, ventilating and air-conditioning systems, and
- (viii) commercial cooking equipment,
- (b) detection, including
 - (i) alarm and detection systems,
 - (ii) smoke alarms, and
 - (iii) voice communication systems,
- (c) suppression, including
 - (i) fire department access,
 - (ii) standpipe and hose systems,
 - (iii) sprinkler or special fire suppression systems, and
 - (iv) firefighters' elevators, and
- (d) egress, including
 - (i) the number, type, access to, direction to, lighting for and identification of exits,
 - (ii) fire escapes,
 - (iii) occupant load, and
 - (iv) emergency lighting.

AN AUDIT GUIDELINE HAS BEEN PROVIDED TO THE OWNER TO ASSIST IN THE PREPARATIONS OF THE HOTEL AUDIT

Name of Recipient Faxed to Julia Davidson	Name of Inspector Ellis, Glen
Signature	Signature

Fire safety inspection report

Date of Inspection Thu Jun 23, 2011	Date of Issue Thu Jul 7, 2011	Address of Property Hotel Quinte 211 PINNACLE ST Belleville, ON K8N 3A7	File # HOTE001
Inspector Ellis, Glen	Telephone # 613-966-6929	Occupant Hotel Quinte	
Fire Department Belleville Fire Department	Address of Department 72 MOIRA ST W Belleville, ON K8P 1S6		
Person Contacted Owner	Owner PricewaterhouseCoopers Address 211 PINNACLE ST Belleville, ON K8N 3A7		

This Hotel was required (Ontario Fire Code 9.9.1.2) to have a "Building Audit" completed in 2007. Our records indicate the owner of the day was provided with the information. We did not receive the required completed document.

Staff at the Hotel have had service persons remove an appliance from the hood. This has placed the appliances that are in use, under the hood.

The interior surfaces of the duct work from the hood to the outside of the building are required by NFPA 96 to be accessible for cleaning and inspection purposes. Currently it is not accessible.

Openings are required at the sides or at the top of the duct, whichever is more accessible, and at changes of direction (NFPA 96). Approved access panels are required in the duct work.

The exterior exhaust flow (exterior wall terminal) is required to be directed perpendicularly outward (N.F.P.A) from the wall face or upward. The current exhaust forces the grease laden vapor back against the building.

The wall termination shall be at least 10 feet from operable door or windows.

The interior of the hood duct work is extremely dirty. NFPA 96 compels the owner to have it cleaned regularly. It is my understanding that you are in the process of having a qualified company clean it. Please forward to this office documentation that it has been cleaned. It should be redone in 6 months or sooner.

The walls and ceiling in the Silk Route restaurant are discolored from the hood not being able to capture the grease laden vapor. Steps need to be taken to eliminate the existing grease from the ceiling and walls.

The hood canopy is not completely liquid tight. Some minor welding may correct the situation.

Since we were unable to gain complete access to the fan unit and duct work there are likely more issues that will be identified as not meeting NFPA 96. Again, I urge you to arrange with a knowledgeable contractor to bring the kitchen system in compliance.

Failure to correct these violations by Mon Aug 8, 2011

or as noted for each violation, may result in prosecution

Name of Recipient Fax to Julia Davidson	Name of Inspector Ellis, Glen
Signature	Signature

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC. et al. v. 1733073 ONTARIO INC.

- Applicants -

- Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF MICHAEL PISANI

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Neil Abbott / Laura Van Soelen
LSUC No.: 32715Q / 55408S

Telephone: (416) 369-7399 / (416) 862-3646
Facsimile: (416) 862-7661

Solicitors for the Applicants,
General Electric Canada Real Estate Finance Inc. and
GE Canada Equipment Finance G.P.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

**GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.
and GE CANADA EQUIPMENT FINANCING G.P.**

Applicants

- and -

1733073 ONTARIO INC.

Respondent

AFFIDAVIT OF MARC LAPOINTE

**I, MARC LAPOINTE, of the City of Montréal, in the Province of Québec,
MAKE OATH AND SAY:**

1. I am the Senior Vice President, Risk Management for GE Capital Canada. I have principal carriage of the 1733073 Ontario Inc. ("173") loan account with General Electric Canada Real Estate Finance Inc. (the "Mortgagee") and GE Canada Equipment Financing G.P. / Financement d'Equipment GE Canada S.E.N.C. ("GE Equipment Financing" and together with the Mortgagee, "GE") and as such have personal knowledge of the matters

deposed to herein, save and except where stated to be based on information and belief, in which case I believe that information to be true.

2. I am making this affidavit in support of a motion brought by GE seeking, among other things, an order (a) declaring certain leases in respect of the Café Quinte Restaurant and Silk Route Restaurant (together, the "Restaurants") located on the main floor of the hotel building located at 211 Pinnacle Street Belleville, Ontario (the "Hotel Property") are void and, (b) terminating the occupation of the Restaurants by the Current Occupants (as defined herein).

Loan Agreement and GE's security

3. On May 25, 2007, GE Equipment Financing entered into a loan agreement with 173. A copy of the Loan Agreement is attached hereto as **Exhibit "A"**. As security for 173's obligations under the Loan Agreement, 173 granted the following the favour of GE:
 - (a) a Mortgage/Charge of Land registered on July 13, 2007 against the Hotel Property (the "Mortgage"). A copy of the Mortgage is attached hereto as **Exhibit "B"**;
 - (b) an Assignment of Rents registered on June 26, 2007 against the Hotel Property (the "Assignment of Rents"). A copy of the Assignment of Rents is attached hereto as **Exhibit "C"**; and
 - (c) a General Security Agreement dated June 4, 2007.

4. Pursuant to the Assignment of Rents, 173 agreed to assign all leases in respect of the Restaurants, along with the rental payments thereunder, to the Mortgagee, and (b) not to alter the terms of all present and future leases in respect of the Hotel Property, including the amount of rent payable and the length of each lease's term without the prior written consent of the mortgagee, GE.

Lease agreements in effect in May, 2007

5. When GE entered into the Loan Agreement and Mortgage with 173, it was aware of the following two leasing arrangements in respect of the Restaurants:
 - (a) lease dated July 1, 2004 between 1066056 Ontario Inc. ("106") and Shaheshah Investments Ltd. (the previous owner of the Hotel Property, "Shaheshah") (the "2004 Silk Route Lease") pursuant to which Shaheshah leased to 106 approximately 3,500 square feet, located on the main floor of Hotel Quinte (the "Silk Route Premises"). A copy of the 2004 Silk Route Lease is attached hereto as **Exhibit "D"**; and
 - (b) lease dated January 1, 2007 between Zeera Holdings Ltd. ("Zeera") and Shaheshah (the "2007 Zeera Lease") pursuant to which Shaheshah leased to Zeera approximately 2,600 square feet located on the main floor of Hotel Quinte (the "Café Quinte Premises"). A copy of the 2007 Zeera Lease is attached hereto as **Exhibit "E"**.

6. The 2004 Silk Route Lease had an initial term of five years with an option to renew for an additional three years. The monthly rent payment was \$5,000.
7. The 2007 Zeera Lease had an initial term of five years with an option to renew for two successive five year terms. The monthly rent payment was \$5,000.

173's Default under the Mortgage

8. 173 defaulted on its obligations under the Loan Agreement on July 7, 2010 and by letter dated July 21, 2010 GE issued a Notice of Default to 173 in respect of its obligations under the Loan Agreement.
9. Upon the application of GE, in accordance with the terms of the Loan Agreement, the *Bankruptcy and Insolvency Act* (Canada) and the *Courts of Justice Act* (Ontario), on May 27, 2011 the Court appointed PricewaterhouseCoopers Inc. ("PwC") as receiver (the "Receiver"), without security, of all the assets, undertakings and properties of 173. A copy of the order appointing PwC receiver is attached hereto as **Exhibit "F"**.

PwC discovers new leases were entered into by 173

10. Approximately two weeks prior to PwC's appointment as Receiver, and pursuant to an order of Justice Morawetz dated May 12, 2011, PwC was granted access to the books and records of 173.

11. PwC's review of the books and records uncovered two other leases concerning the Restaurants:
 - (a) a lease dated July 1, 2009 between 173 and 106 (the "2009 Silk Route Lease") pursuant to which 173 leased to 106 the Silk Route Premises (the "2009 Silk Route Lease"); and
 - (b) a lease dated June 1, 2008 between 173 and 1769143 Ontario Inc. ("176") pursuant to which 173 leased to 176 the "Café Quinte Premises (the "2008 Café Quinte Lease").
12. The material terms of the 2009 Silk Route Lease and the 2008 Café Quinte Lease are described in the Receiver's First Report, dated July, 2011 (the "First Report"), and copies of the leases are appended thereto. A copy of the First Report is appended to the Affidavit of Danny Nowak, sworn July 14, 2011, at Exhibit "A".
13. 173 did not inform GE that the 2004 Silk Route Lease and 2007 Zeera Lease, which were in place when the Loan Agreement was entered into, had been terminated, surrendered or otherwise come to an end. Nor did 173 inform GE, or seek GE's approval to enter into new lease agreements with either 176 or 106. GE was not given an opportunity to review the terms of either the 2009 Silk Route Lease or the 2008 Café Quinte Lease, and it did not consent to 173 entering into such leases.
14. GE was not notified of the existence of the 2008 Café Quinte Lease until more than one year after the date of its execution. A copy of the email

correspondence notifying GE of the 2008 Café Quinte Lease is attached hereto as **Exhibit “G”**.

15. I have made inquiries of persons at GE who have had involvement in the 173 file and none of them were informed of the existence of the 2009 Silk Route Lease. As such, I believe that GE was never informed that 173 had entered into the 2009 Silk Route Lease.

After appointed receiver, PwC discovers yet more leases

16. After PwC's appointment as Receiver, I understand that PwC was given copies of two additional leases that were purportedly signed in 2011 in respect of the Restaurants:
 - (a) a lease dated March 1, 2011 between the Company and 2245632 Ontario Inc. ("224") in respect of the Silk Route Premises (the "Purported New Silk Route Lease"); and
 - (b) a lease dated March 1, 2011 between the Company and 1726463 Ontario Inc. ("172" and together with 224, the "Current Occupants") in respect of the Café Quinte Premises (the "Purported New Café Quinte Lease" and together with the Purported New Silk Route Lease, the "Purported New Leases").
17. The material terms of the Purported New Leases are set out in the First Report and copies of the leases are appended thereto.
18. The Purported Leases were each executed by Siva Suthakaran ("Suthakaran") as President of 173 and Jennine DeLuca as President of

each of the Current Occupants. In addition, Suthakaran is listed as either a director or officer of each of the Current Occupants. I have been informed by the Receiver and verily believe that Jennine DeLuca is a part-time assistant to Suthakaran and that she performs administrative tasks for Suthakaran's various companies. Furthermore, I have been informed by the Receiver and verily believe that the head office of both of the Current Occupants is located at 250 Consumers Road, Suite 701, which is the suite adjacent to 173's head office at 250 Consumers Road, Suite 702.

19. 173 did not notify GE of the Purported New Leases and did not seek GE's consent or approval to (a) enter into the Purported New Leases; or (b) regarding the suitability of the Current Occupants as occupants of the Restaurants.

SWORN before me at the Town of
Montreal, in the Province of Québec
on July 15, 2011

)
)

Marc Lapointe
MARC LAPOINTE

Commissioner for Taking Affidavits

CAREL ISSID,
ATTORNEY AT LAW,
PROVINCE OF QUEBEC

This is Exhibit "A" referred to in the
Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,
this 15th day of July, 2011


A Commissioner for taking Affidavits, etc.

**CAREL ISSID, ATTORNEY-AT-LAW,
PROVINCE OF QUEBEC**

MAY-29-2007 12:47

P.11



GE
Real Estate

CONFIDENTIAL

May 25, 2007

1706028 Ontario Inc.
O/A Clarion Suites Belleville
C/O Zahar A. Hirji
211 Pinnacle Street
Belleville, Ontario
K8N 3A7

Attention: Mr. Zahar A. Hirji

Re: CAD\$2,900,000 loan or 65% of appraised fee simple value of the Property, whichever is less, from GE Canada Equipment Financing G.P. to 1706028 Ontario Inc. secured by a real estate property located at 211 Pinnacle Street, Belleville, Ontario, K8N 3A7.

Dear Sirs:

GE Canada Equipment Financing G.P. and its assigns is pleased to inform you that your request for first ranking non-revolving mortgage loan (the "Loan") has been approved subject to the following terms and conditions:

1. **Lender:** GE Canada Equipment Financing G.P. or its assigns or affiliates (collectively, the "Lender").

2. **Borrower:** 1706028 Ontario Inc. (the "Borrower"), O/A Clarion Suites Belleville

3. **Loan Guarantors:** Corporate Guarantor:

1698557 Ontario Inc. through the term of the Loan for 100% of the Loan Amount (defined below).

Personal Guarantors:

Mr. Sivaramalingam Suthakaran through the term of the Loan for 50% of the Loan Amount (defined below).

Mr. Nick Udayakumar through the term of the Loan for 5% of the Loan Amount (defined below).

(collectively, the "Guarantor" all jointly and severally).

4. **Property And Improvements:** The Loan will be secured by a first ranking mortgage on the property of the Borrower located at: 211 Pinnacle Street, Belleville, Ontario, K8N 3A7 (including without limitation land and improvements, the "Property").

5. **Loan and Purposes:** Loan:

The Loan is to be made by the Lender to the Borrower for an amount equal to the lesser of: i) CAD\$2,900,000 and ii) 65% of fee simple appraised market value, subject to an appraisal acceptable to the Lender.

Purposes:

The Borrower shall use the proceeds of the Loan for the following purpose(s) only:
-Purchase of the Property

6. Fixed Interest rate

The advance of the Loan shall bear interest from the Advance Date (defined below) to the Maturity Date at an annual rate (the "Interest Rate") equivalent to GOC Rate (defined below) plus 2.75%, accruing daily and calculated semi-annually not in advance as well after as before maturity, default and judgment.

"GOC Rate" means the yield expressed as a rate per annum applicable to the Government of Canada Bond ("GOC"), with a maturity closest to the Term as published in the edition of the *Globe & Mail* 3 Business Days (defined below) preceding the Advance Date.

For the purposes of this Agreement, "Business Day" means a day on which the Lender is open for business dealings in the Province in which the Property is located but excludes Saturday, Sunday and any other day which is a statutory holiday in the Province in which the Property is located.

The Borrower shall be liable to pay interest on any amount not paid when due under a Loan Document (defined below) for so long as such amount remains unpaid at an annual rate equivalent to the interest rate applicable to the Loan. Such interest shall be payable upon demand made by the Lender and shall be compounded semi-annually not in advance.

7. Term

3 years (the "Term") from the first day of the second month following the Advance Date (defined below).

8. Amortization

20 years from the first day of the second month following the Advance Date (defined below).

9. Loan Maturity Date:

The date which is 3 years after the first day of the second month following the Advance Date (the "Maturity Date").

10. Payment Schedule:

The Loan together with interest thereon at the Interest Rate computed from the date of the advance of the Loan (the "Advance Date") shall become due and be paid: i) despite anything to the contrary in this Agreement, by one interest-only payment on the Loan principal from the Advance Date up to the first day of the first month following the Advance Date (the "Interest Adjustment Date") payable from the Loan Amount if the Advance Date falls after the 15th of the month, calculated daily at the Interest Rate, and then ii) in equal consecutive installments of blended principal and interest due and payable monthly, in arrears, commencing on the first day of the second month following the Advance Date and every succeeding month thereafter, with the outstanding principal balance of the Loan, if any, and any unpaid accrued interest and all other monies owing by the Borrower to the Lender or its nominee pursuant to the Loan Documents (the "Loan Amount") in full due on the Maturity Date. The amount of the loan payments shall be determined by the Lender on the Advance Date based on the Interest Rate and the Loan amortization period. Interest shall be computed on the basis of a 365-day year. All payments to be made by the Borrower shall be made without compensation or counterclaim and without any deduction of any kind and payable by way of electronic fund transfer and shall be subject to applicable taxes. The Borrower shall execute and deliver to the Lender from time to

time, upon request, pre-authorized payment orders in such form as the Lender may reasonably request. The Lender is hereby authorized to deliver such orders to the financial institution named therein.

11. Costs payable by the Borrower:

Commitment Fee: The Borrower shall pay a non-refundable commitment fee of 0.25% of the Loan Amount, plus applicable taxes, at the execution by the Borrower and the Lender of this Agreement, which fee shall be deemed to be fully earned.

Transaction Fees and Expenses: The estimated fees and expenses in connection with the preparation and closing of the transaction described herein shall include fees and expenses of Lender's legal counsel, full narrative appraisal and a Phase 1 environmental site assessment. All such transaction fees and expenses shall be paid on or before the Advance Date. Furthermore, the Borrower shall be responsible for the following additional expenses: Borrower's legal counsel (if any) fees and expenses, title insurance fees, real estate tax verification fees, disbursements and Mortgage/Security Agreements registration or filing fees and property condition report. Such transaction fees and expenses may be deducted from the Deposit (defined below) or from any advance hereunder. In the event that the Loan Amount or a part thereof is not advanced, the Borrower shall, upon demand by the Lender, pay to the Lender all such fees, costs and expenses.

12. Good Faith Deposit:

The Borrower has previously paid the Lender a non-interest bearing deposit in the amount of \$15,000 (the "Deposit"). The Deposit will be applied toward the transaction fees and expenses described herein (plus applicable taxes).

Notwithstanding the foregoing, the Deposit will be returned to the Borrower, less all fees, costs and expenses incurred by the Lender in connection with the Loan: (i) promptly after the Advance Date, or (ii) in the event that the Lender and the Borrower fail to agree upon a material provision of the Loan Documents for this transaction which is not already agreed upon herein and this Agreement is terminated, or (iii) the Lender terminates this transaction in accordance with this Agreement, or (iv) upon the breach by the Lender of the terms of this Agreement, which breach causes the Loan not to be advanced to the Borrower. If no advance has been made to the Borrower hereunder by the Expiration Date (defined below) for any other reason, then the Lender will retain the Deposit and, in addition, the Borrower will pay to the Lender a non-utilization fee of 3% ("Non-Utilization Fee") of the Loan Amount as liquidated damages suffered by the Lender as a result of the non-completion of this transaction and the Borrower acknowledges and agrees that the determination of the said damages is not feasible and that the Deposit and the Non-Utilization Fee represent a reasonable estimate of such damages. Any non-utilization fee is in addition to and not in substitution for any claim the Lender may have or any other fee paid by Borrower.

13. Prepayment Provisions:

Commencing 36 months after the Advance Date, the Borrower shall have the right to prepay all, but not less than all, of the outstanding balance of the Loan at any time during the remainder of the Term provided the Borrower also pays all accrued interest and costs outstanding hereunder at the time of prepayment and a prepayment fee (the "Prepayment Fee") determined as follows:

No prepayment shall be made unless the Borrower delivers to the Lender a prior written notice specifying the prepayment date (the "Prepayment Date"), which shall not be less than 45 days after receipt by the Lender of the said prepayment notice.

The Borrower acknowledges that any Prepayment Fee payable herein represents a fair and reasonable compensation for the loss that the Lender may sustain from any prepayment or acceleration of the Loan Amount.

On the Prepayment Date, the Borrower shall pay to the Lender a Prepayment Fee equal to the greater of:

- a) the amount equal to 3 months' interest on the amount prepaid calculated at the Interest Rate in effect at the time of prepayment; or
- b) the present value (discounted at the Bond Yield) of the difference between:
 - i) the amount of the remaining loan payments (principal and interest) as well as any remaining portion of the Loan payable at the Maturity Date; and
 - ii) the amount of the remaining loan payments (principal and interest) required to amortize the outstanding balance of the Loan at the Bond Yield, over the then remaining amortization period of the Loan, up to the Maturity Date, and the resulting principal balance that would have been outstanding at the Maturity Date, at the Bond Yield.

For the purposes of this Agreement, "Bond Yield" means the then current yield on the Government of Canada Bond for an equal term to the then remaining Term of the Loan, at the time the prepayment option is exercised, as published in the edition of the *Globe & Mail* 3 Business Days preceding the Prepayment Date.

Annual Principal Prepayment:

The Borrower shall have the right, only after the 12th month from the Advance Date, to prepay on a yearly basis on the anniversary date of the Advance Date without Prepayment Fee, an amount equal to but not in excess of 1.0% (non cumulative year to year) of the outstanding principal balance of the Loan.

14. Recourse

Lender shall have full recourse against the Borrower, any Guarantor and against the Property for any failure to make payments as and when due on the mortgage or other Loan Documents and for the breach of any of the representations, warranties, indemnities, and covenants contained in the Loan Documents.

15. Loan Documents:

As security for the Loan and for all indebtedness of the Borrower under the terms of this Agreement and under any other agreements with the Lender, the Borrower and, if applicable, Guarantor(s) shall deliver to Lender the loan documents described in Schedule "A" hereto (collectively the "Loan Documents"). All Loan Documents shall be, where applicable, on the Lender's standard form as approved by its legal counsel and the terms and conditions of the Loan Documents, which include this Agreement, may not be negotiated as Lender is acting reasonably, modified, or changed in any way by Borrower or, if applicable the Guarantors. Furthermore, it is agreed that any of the Lender's affiliates may, subject to appropriate registrations, hold any security created under the Loan Documents as nominee and agent for the Lender.

16. Conditions Precedent to the Advance of the Loan Amount:

Prior to the advance of the Loan, the Lender must have received each of the following items in form and substance satisfactory to the Lender and its advisors:

- a. fully executed original copies of the Loan Documents;
- b. satisfactory complete appraisal report conducted by Lender-approved 3rd party vendor, addressed to Lender or an equivalent reliance letter, such report shall include a valuation on a "Fee Simple" basis, replacement value and a "Go-Dark" value;
- c. satisfactory phase I environmental site assessment report conducted by Lender-approved 3rd party vendor and addressed to Lender;
- d. satisfactory phase II environmental site assessment report conducted by Lender-approved 3rd party vendor and addressed to Lender;
- e. satisfactory and completed property condition assessment conducted by Lender-approved 3rd party vendor and addressed to the Lender;
- f. if requested by the Lender, any remediation work in connection with the Property as recommended by third party environmental audit which will need to be undertaken prior to the Advance Date and be at the Borrower's expense; and
- g. if requested by the Lender, holdback account to be held in escrow in the amount of the immediate repair work, if deemed necessary, depending on the recommendations of the consulting engineer;
- h. a copy of as-built survey (certificate of location) for the Property;
- i. satisfactory review by the Lender of the restaurant leases for Silk Route and for Cora's restaurant;
- j. registration of all security and searches against the Borrower and, if applicable, the Guarantors, as well as against the vendors in case of an acquisition financing;
- k. payment by the Borrower of transaction expenses described herein including all applicable taxes thereon;
- l. satisfactory review of the accepted offer to purchase as well as any other related document;
- m. satisfactory letter of credit from one the 5 largest Canadian banks, in a form acceptable to the Lender acting reasonably, for an amount equivalent to the cash flow shortfall over the duration of the term, to be determined by Lender. The letter of credit will be released over the duration of the term [1/3 of the amount each year];
- n. satisfactory review of the franchise agreement as well as any other related document; as well as any other related document;
- o. satisfactory review of the comfort letter from Choice Hotel by Lender's counsel, as well as any other related document;

p. all other documents, certificates and declarations reasonably required by the Lender or the Lender's legal counsel.

17. Insurance: Borrower shall maintain the following insurance on the Property and the related personal and movable property (collectively, the "Insured Property"):

- (i) all risks property insurance, including coverage for the foundation of all improvements, and fire and extended coverage for the full replacement value (insurable value) of all buildings, fixtures, appliances and equipment, in amounts acceptable to the Lender;
- (ii) broad form boiler and machinery coverage in amounts acceptable to the Lender;
- (iii) public liability and property damage insurance for not less than CAD\$5,000,000; and
- (iv) rental loss or business interruption insurance policy for a period of indemnity of at least 12 months in an amount acceptable to the Lender;

Borrower is responsible for keeping the Insured Property Insured under such terms and for such peril and amounts and with such deductibles as required by the Lender. In flood or earthquake hazard areas, Lender may require flood or earthquake insurance. All insurance policies shall be subject to the Lender's approval, a 30-day notice for any cancelled or not renewed policy, and shall include any endorsements which the Lender may reasonably require. The Lender and, if applicable, its nominee shall be identified as first loss payee and additional named insured on Borrower's insurance policies and all such policies shall include the standard IBC mortgage clause.

Any insurance moneys paid to the Lender shall be received and held by it to be applied by it in its discretion for the following purposes in such proportions as it may see fit, or for either of such purposes, namely: (i) the payment to, or to the order of the Borrower, of or, at the option of the Lender, on account of the cost of repair, restoration or reconstruction of the Property damaged or destroyed; and (ii) the payment or reduction, in such order and in such proportions as the Lender in its discretion may deem expedient of the Borrower's obligations hereunder and under the Loan Documents, whether or not exigible, and interest thereon, interest on interest and all other sums which may be payable hereunder or pursuant hereto by the Borrower to the Lender. In the event of any loss or damage and subject to the insurance moneys being applied by the Lender in accordance with sub-paragraph (i) above, the Borrower shall restore the Property damaged or destroyed to a state and condition at least as good as those existing prior to such loss or damage, regardless of the sufficiency or insufficiency of any insurance moneys paid to the Lender or otherwise, all on such terms and conditions as the Lender may think proper.

18. Financial Disclosure:

The Borrower and, if applicable, the Guarantors will furnish to Lender within 90 days of fiscal year end: (i) annual Review Engagement balance sheet, and of cash flow statement, profit and loss statements prepared in accordance with generally accepted accounting principles and practices consistently applied and, if the Lender so requires, accompanied by the Auditor's Letter to Management of an independent certified chartered accountant reasonably acceptable to the Lender, (ii) an annual

operating statement, together with a complete rent roll and other supporting data reflecting all material information with respect to the operation of the Property, and (iii) all other financial information, including updated personal net worth statement for any Guarantor, and reports that the Lender may from time to time reasonably request.

19. Additional covenants The additional covenants set forth in Schedule "B" hereto shall form part of this Agreement.

20. Defaults Without limiting the Lender's rights hereunder, the occurrence of any one or more of the events described in Schedule "C" attached hereto shall constitute an "Event of Default". For the purposes herein, "Default" means an event or circumstance or omission which, with the giving of notice or lapse of time, or both, would constitute an Event of Default. Upon the occurrence of an Event of Default, the Lender may, at its option: (i) on notice in writing to the Borrower, declare that the entire Loan Amount (including the Prepayment Fee and any accrued interest or other monies due to the Lender or its nominee pursuant to the Loan Documents) is immediately due and payable; and (ii) proceed to exercise any and all rights and remedies hereunder or under any other Loan Document or at law.

21. Application of Payments All payments made by or on behalf of the Borrower hereunder before or after Default shall be applied as set forth in Schedule "D" hereto.

22. Remedies For greater certainty, the rights and remedies of the Lender under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law and under the Loan Documents. Any exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of any other right or remedy to which the Lender may be lawfully entitled for the same default or breach, and any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default.

The Lender may, to the extent permitted by any applicable law, bring suit at law for any available relief including: (i) the specific performance of any covenant or agreement contained in this Agreement or in any other Loan Document; (ii) an injunction against a violation of any of the terms of this Agreement or any other Loan Document; (iii) in aid of the exercise of any power granted by this Agreement or any other Loan Document or by law, or (iv) the recovery of any judgment for any and all amounts due in respect of the Loan Amount.

If the Borrower shall fail to perform any of its obligations under any covenant contained in this Agreement or any other Loan Document, including the payment of any taxes, the Lender may (but has no obligation to), perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with any deposit made by the Borrower in accordance with this Agreement. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the Interest Rate from and including the date paid by the Lender.

23. Participation: The Lender reserves the right, in its sole discretion, to sell, assign, transfer, grant participation in or otherwise dispose, by way of syndication, assignment, participation or securitization (collectively, a "Participation") its interest in respect of the Loan, in whole or in part, to one or more persons ("Additional Lenders"). Each of the Borrower and any Guarantor authorizes the Lender to disclose to potential Additional Lenders all information relating to the project to be financed hereunder, the Property, the Loan Documents, the Borrower, any guarantors or this transaction in any manner determined by the Lender, provided that such Additional Lenders are bound to keep such information confidential. Each of the Borrower and any Guarantor also agrees to execute and deliver such additional documentation, including, if applicable for the purposes of registering the Participation at any applicable register, as the Lender considers reasonably necessary or advisable in order to effect such Participation. In addition, the Borrower and its management agree to meet with potential Additional Lenders at mutually agreeable times to discuss the business and operations of the Borrower. Each of the Borrower and any Guarantor agrees that it shall, upon Lender's request enter into such documentation, including without limitation replacement security, as Lender may reasonable consider necessary for such purposes. The Lender shall be relieved of its obligations hereunder to the extent of a Participation provided that such Additional Lender(s) assumes all of Lender's obligations hereunder to the extent of the Participation.

24. Prior Negotiations & Conflict: This Agreement constitutes the entire agreement between the Lender and the Borrower relating to the Loan. Any and all prior proposals, commitments, agreements, representations, and warranties made by the Lender, whether oral or written, are deemed superseded hereby.

If there is a conflict or inconsistency between the provisions of this Agreement and any other Loan Document (save and except for the Environmental Indemnity Agreement (as defined in Schedule "A")), the provisions of this Agreement shall prevail. It is however agreed that the existence of additional terms, conditions or provisions (including, without limitation, any rights, remedies, representations or warranties) which are contained in the Loan Documents and which are not included in this Agreement shall not be construed or deemed as being in conflict and shall remain in full force and effect. In all cases the terms of the Environmental Indemnity Agreement shall prevail.

25. Credit Reporting: Each of the Borrower and any Guarantor consents to the Lender obtaining from any credit reporting agency or from any person such information as the Lender may require at any time, and consents to the disclosure at any time of any information concerning the Borrower or, if applicable, the Loan guarantors or the Property to any person requesting same at any time.

26. Multiple Debtors: Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more persons or a party comprised of more than one person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several covenant, agreement, warranty, representation or obligation of each such person or party, as the case may be.

27. Waiver or Variation or Exhaustion: No term or condition of this Agreement or any of the other Loan Documents may be waived or varied orally or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Agreement or the other Loan Documents must be in writing and signed by a duly authorized officer of the Lender.

28.Determination Final With respect to all matters referred in this Agreement, the determination by the Lender shall, in the absence of manifest error, *prima facie*, be final and binding on the Borrower.

29.Governing Law, Time of Essence and Survival of Terms: This Agreement and all other Loan Documents and other documentation shall be governed by the laws of the province in which the Property is located (the "Relevant Province") and the federal laws applicable therein. The parties hereto agree that all disputes among them shall be submitted to the courts of the Relevant Province. Time shall be of the essence in this Agreement and the Borrower shall be in default by the mere lapse of time without notice, unless otherwise provided herein. The provisions and conditions of this Agreement shall survive the execution and registration of the Loan Documents.

30.Notice Any notice, request or other communication to be given under this Agreement or any other Loan Document, except as otherwise specifically stated, shall be in writing and may be delivered by a reputable same-day or overnight courier service or personally or sent by fax or by prepaid registered mail (return receipt requested) to the mailing address, or fax number applicable, of a party stated beside the name of the party at the foot of this Agreement and to the attention of the person or to such other mailing address or fax number as the party may notify to the other from time to time under this provision or to the last known mailing address of the party in the possession of the party sending the notice, request or communication. Any such notice, request or other communication if delivered or mailed, shall be deemed to have been given when received and, if faxed before 4:30 p.m. on a Business Day, shall be deemed to have been received on that day, and if faxed after 4:30 p.m. on a Business Day, shall be deemed to have been received on the Business Day next following the date of transmission.

31.Commitment Termination: If, before the Advance Date, an Event of Default has occurred or if an event or circumstance which, in the Lender's sole discretion, has or may reasonably be expected to have a material adverse effect (a "Material Adverse Effect") on: (i) the business, operations, property or financial or other condition of the Borrower or if applicable, any Guarantor or, the Property, or any portion thereof; (ii) the ability of the Borrower or, if applicable, any Guarantor or, to perform and discharge its obligations under this Agreement or any of the other Loan Documents, or (iii) the Lender's or its nominee's ability to enforce rights under any such Loan Documents, the Lender shall have the right, in its own discretion to cancel any loan commitment described herein, without any obligation to make any advance hereunder.

Without limiting the foregoing, this Commitment Letter may also be terminated by the Lender by notice in writing to the Borrower at any time after September 1, 2007 (the "Expiration Date") if the applicable conditions herein (including in section 17) have not been met and the first advance pursuant to the Loan has not been made at the Expiration Date, without any obligation to make any advance hereunder after such termination. It is agreed that the Lender, after any such termination or cancellation, would also be automatically entitled to retain all of the fees and the Deposit described above, if applicable, as liquidated damages, suffered by the Lender and not as a penalty.

32.Acceptance: Acceptance hereof shall constitute a binding contract. Please signify your acceptance of this Agreement by executing where indicated below, affixing your corporate seal, if applicable, initialing each page, and returning same, to this office by no later than 3:00 p.m. on June 1, 2007, after which this Agreement becomes null and

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void and may not be accepted without the further written concurrence of the Lender. Effective acceptance requires actual receipt by the Lender of a fully executed counterpart of this Agreement, without any changes thereto, on or before such date.

GE CANADA EQUIPMENT FINANCING G.P.

Per: John Cochrane

Name: John Cochrane
Title: Director

Per: Dominique Beaupre

Name: Dominique Beaupre
Title: Documentation Manager

Address: 1 Place Ville-Marie, suite 1401, Montreal, H3B 2B2
Fax Number: 514-394-2855

The undersigned accepts the foregoing Agreement and agrees that it will comply with all of the terms and conditions herein.

Signed at Toronto on the 28 day of May, 2007.

BORROWER: 1708028 Ontario Inc.

Per: S. S. S.

Name: SWA SUTHAKARAN
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

Address: _____
Fax Number: _____

JOINDER BY GUARANTOR

Each Guarantor hereby executes and delivers this Agreement to acknowledge its terms and conditions, and to agree to be bound by all provisions thereof related or applicable to the Guarantor.

Signed at _____ on the _____ day of _____, 200_____

CORPORATE GUARANTOR: 1698557 Ontario Inc.

Per: S. S. S.

Name: SWA SUTHAKARAN
Title: PRESIDENT

Address: _____
Fax Number: _____

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Per: _____

Name:

Title:

Address:

Fax Number:

PERSONAL GUARANTOR: SWARAMALINGAM SUTHAKARAN

Per: S. S. Suthakaran

PERSONAL GUARANTOR: NICK UDAYAKUNAR

Per: N. Udayakumar

Schedule "A"**Loan Documents**

1. this Agreement, as well as a supplemental letter to be executed on the closing date between the Borrower and the Lender confirming, *inter alia*, the Interest Rate;
2. an agreement creating a first security interest under the applicable Personal Property Security Act in all personal property, including chattels, fixtures and equipment owned by the Borrower and situate at and used exclusively in connection with the Property as well as a General Security Agreement;
3. a first rank mortgage of land on the Property in an approximated amount of \$8,400,000 (amount to be determined by Lender prior to the Advance Date), as well as assignment as security of all Leases, insurance and expropriation proceeds and rents relating thereto;
4. a guarantee and indemnity agreement joint and several signed by the Guarantors limited to: (i) 50% of the Loan Amount for Sivaromalingam Suthakaran, (ii) 5% of the Loan Amount for Nick Udayakumar and (iii) 100% of the Loan Amount for 1698557 Ontario Inc.
5. where applicable, a first rank general assignment of leases and rents and if requested by the Lender a specific assignment of leases, signed by the Borrower;
6. an environmental indemnity agreement to be signed by the Borrower and Guarantor(s) (the "Environmental Indemnity Agreement");
7. a lender's title insurance policy in respect of the Property and the Loan insuring the Lender's interest in the said first ranking mortgage. The insurer, the form of the title insurance policy and endorsements, and any exceptions to coverage shall be subject to the Lender's approval;
8. a satisfactory certificate of insurance naming Lender as loss payee and additional insured;
9. a satisfactory comfort letter from Choice Hotels
10. only if requested by Lender, tenant certificate and agreement duly signed by the tenant(s);
11. security documentation to the effect that the security granted under the Loan Documents in favor of the Lender given by the Guarantor on the property located at Telephone Road E/S, Port Hope, province of Ontario, L3C 1M3 (property addresses) shall constitute a security for all obligations, present and future, under this Agreement and the other Loan Documents;

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Initials		
Borrower	Lender	Guarantors
		 

Schedule "B"

Additional Covenants

While any amount owing under this Agreement remains unpaid or the Borrower has any obligations hereunder, each of the Borrower and, if applicable, the Guarantors covenants with the Lender, as follows:

1. **Maintenance, Use, Operation and Alterations:** It (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (c) shall keep the Property, including all improvements, fixtures, equipment, machinery and appliances thereon, in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, and (d) shall comply with all present or future applicable laws, by-laws, statutes, regulations, ordinances, treaties, orders, judgments and decrees and all applicable official directives, rules, guidelines, orders and policies (the "Applicable Laws") of any governmental authorities required for it to carry on its business or relating to the use, operation or possession of the Property and promptly deliver to the Lender any such claim or notice given to or received by the Borrower after the Advance Date alleging or relating to any non-compliance by the Property with any Applicable Laws. In the event any material construction or repair is undertaken in respect of the Property, then the Borrower agrees that the Lender, if applicable, may from time to time hire an independent consulting engineer to review the plans and specifications and any changes thereto, and to inspect the Property on a periodic basis to check, *inter alia*, on the progress and quality of workmanship, and compliance with the plans and specifications. The Lender shall have the right to require reasonable modifications or repairs to the Property based upon the recommendation of said consulting engineer; being agreed however that neither the Lender nor the consulting engineer shall have any responsibility or liability whatsoever to any person for any design or structural failure or other architectural or engineering inadequacies.
2. **Expropriation:** In the event that the Property or any part thereof is affected by any expropriation or notice or advice of an intention to expropriate, the Borrower undertakes to notify the Lender in writing within seven (7) days of such receipt and the Borrower further authorizes the Lender to make representations before any authority charged with such expropriation or sale in order to protect the Lender's interest in the Property. The proceeds of any such expropriation and any receivable therefrom shall be paid directly to the Lender and shall be applied as a prepayment against the Loan Amount, whether or not exigible, and interest thereon, interest on interest and all other sums which may be payable hereunder by the Borrower to the Lender; but neither the receipt nor the application of any such expropriation moneys by the Lender shall reduce or in any way affect the security created under the Loan Documents or other security in favour of the Lender or its nominee.
3. **Claims and Taxes:** It shall promptly pay and discharge when due or shall cause any tenant of the Property to pay and discharge: i) all taxes charged, levied or payable by it or upon, or in respect of, the Property, this Agreement and any payments or transaction contemplated hereunder; and ii) all obligations which may result in any mortgage, charge, lien (including construction liens), trust, encumbrance, priority claim, pledge, hypothec (including legal hypothecs), assignment, security interest, title retention, deposit or any other security of whatsoever nature or kind (each a "Lien") (other than Liens permitted in writing by the Lender) on its property and assets. The Lender reserves the option at any time to require the Borrower to pay in addition to loan payments one-twelfth of the annual real estate or property taxes, assessments, insurance premiums, water and sewer rates and other charges (and ground rents if applicable) payable with respect to the Property (as estimated by the Lender in its sole discretion), to be held by the Lender without interest to the Borrower, for the

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Initials		
Borrower	Lender	Guarantors
		
		GE Canada

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payment of such obligations. The Lender shall be at liberty to deduct any such amounts from any advances made.

4. **Access:** It shall permit the Lender or representatives thereof, to inspect the Property and make abstracts from and copies all of its books, accounts and records.
5. **Notice of Default:** It shall upon obtaining knowledge thereof, provide prompt notice in writing to the Lender of the occurrence of any of the following events and provide the Lender with the action taken or to be taken by it, if any, to remedy such events: (a) any Default or Event of Default; (b) any event which has had, or would reasonably be expected to have or result in a Material Adverse Effect occurs.
6. **Security:** It shall perform and do all such acts and things as are necessary to maintain the enforceability and perfection of the security created in favour of the Lender or its nominee under the Loan Documents and its rank and priority and not be in Default thereunder.
7. **Secondary Financing Prohibited:** No other Liens on the Property and related personal property shall be permitted, whether ranking prior, equally or subordinate to the security under the Loan Documents.
8. **Transfer:** No conveyance, assignment, transfer, sale, lease, sublease, granting of an option with respect to, or other disposition of any shares, units or other interest issued by the Borrower or any Guarantor or any direct or indirect change in effective voting control or capital structure of the Borrower or any Guarantor may occur without the Lender's prior written consent (unless Borrower or, as applicable the Guarantor, is a public company). Furthermore, the Borrower may not sell, transfer or otherwise assign, in one transaction or a series of transactions, all or any material part of the Collateral (including the Property) charged under the Loan Documents, whether now owned or hereafter acquired, without the prior written consent of the Lender, except (i) personal property in the normal course of its business for the purpose of carrying on the same, for fair market value, in accordance with customary trade terms and (ii) such personal (movable) property that is worn out or obsolete or of no material value. Any transaction described in this paragraph, if consented to by the Lender, shall be subject to the payment to the Lender of a transfer fee of 1% of the outstanding Loan Amount at the time of such approval and any other fees or expenses that could be incurred by the Lender including, but not limited to, administration fees and Lender's legal counsel's fees.
9. **Leases:** The Borrower shall comply with and observe its obligations under any offer to lease, lease, lease renewal or extension of lease or surrender of lease in respect of the Property or any part thereof (each a "Lease") to which it is a party, and shall immediately send to the Lender a duplicate of any notice of default given or received by it in connection with any Lease. Furthermore, the Borrower shall not, without the Lender's prior written consent: i) enter into any Lease, ii) amend, renew or terminate any existing Lease, iii) accept rent or any other sums becoming due under the terms of a Lease more than one month in advance, iv) as landlord, grant waiver of or release from the performance of any obligations under any Lease, vi) assign the Lease or consent to a sublet of the leased premises or any part thereof, vii) make or agree to any structural changes to the Property.
10. **Assignment:** The Borrower shall not assign any rights hereunder or under the Loan Documents without the prior written consent of the Lender. Any change in the ownership interests in the Borrower prior to the advance of the Loan Amount shall be considered an assignment.
11. **Amalgamation:** Without the prior written consent of the Lender, the Borrower shall not dissolve or otherwise change its existence in any way whatsoever, amalgamate with any other party, change in any way the ownership of the Borrower, cease to carry on business, materially change the nature of its business or conduct a sale of assets outside of the ordinary course of business, and shall continue to conduct and operate a business substantially of the same nature as that engaged in by it on the date hereof and conduct such business in a proper, efficient and business-like manner.
12. **Brokerage:** The Lender shall not be required to pay any brokerage fee or commission arising from this Agreement.

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Borrower	Lender	Guarantors
<i>J</i>	<i>J</i>	<i>J</i> GE Canada

13. **Management:** It shall ensure that the Property is managed and operated in a reasonably prudent manner and that it shall pay all expenses in relation thereto.
14. **Indemnity:** The Borrower shall indemnify each of the Lender and its nominee against any and all losses, expenses, liabilities, claims, demands, actions and causes of action which the Lender or its nominee may sustain or incur as a consequence of (i) the signature by the Borrower or a Guarantor of any Loan Document and the occurrence of any default thereunder, (ii) any misrepresentation by the Borrower or a Guarantor contained in any Loan Document, or (iii) any material failure by the Borrower to comply with any Applicable Law. Furthermore, all payments to be made by the Borrower under or in connection with this Agreement are to be made without deduction or withholding of any nature, including on account of any tax; the Borrower hereby agreeing to indemnify the Lender in respect of any claim or loss which it may suffer as a result of any such deduction or withholding.
15. **Administration/Enforcement Expenses:** In addition to any transaction expenses described herein, the Borrower shall, on demand, pay to the Lender all legal fees and other expenses reasonably incurred (including disbursements and applicable taxes) by the Lender or its nominee during the Term in connection with the determination or preservation of any rights, or the enforcement of or legal advice in respect of rights or responsibilities, of the Lender or its nominee under the Loan Documents.

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Borrower	Lender	Guarantors
		
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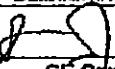
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Schedule "C"

Events of Default

1. **Non-payment of Principal and Interest:** The Borrower fails to make when due any payment of principal or interest required to be made by the Borrower hereunder or under any other Loan Document within 10 days of its due date; or
2. **Covenants:** The Borrower fails to perform or observe any other term, condition, obligation, covenant or undertaking contained in any Loan Document and such failure continues for 10 Business Days after the notice thereof to the Borrower; or
3. **Non-payment of Taxes and Insurance:** The Borrower fails to pay any present or future taxes, levies, rates, assessments, imposts, stamp taxes, realty taxes, duties, fees, deductions, withholdings and any restrictions or conditions resulting in a charge or tax and all penalty, interest and other payments on or in respect thereof or insurance premiums when due; or
4. **Representations and Warranties:** Any representation, warranty or statement which is made by the Borrower or any of its officers in any Loan Document or which is contained in any certificate, written statement or written notice provided under or in connection with any Loan Document, is untrue, false, incorrect or misleading in any material respect when made; or
5. **Material Adverse Effect:** a Material Adverse Effect occurs and is continuing; or
6. **Execution:** A seizure or execution or any other enforcement proceeding is taken against the Property or related Collateral or any similar process is levied or enforced against the Property or any or part of the Borrower's property or assets; or
7. **Invalidity and Contestation:** This Agreement or any of the other Loan Documents shall at any time after execution and delivery and for any reason (other than in accordance with its terms or attributable to the Lender's fault) cease to be in full force and effect or shall be declared to be null and void, or the legality, validity, binding nature or enforceability of this Agreement or any other Loan Document or any term or provision thereof shall be contested by the Borrower or any Guarantor, or any other party thereto; or
8. **Judgment:** A final judgment for damages is rendered against the Borrower for an aggregate amount exceeding CAD\$50,000 and within the applicable appeal period, such judgment shall not have been vacated or discharged or execution thereof stayed pending appeal or, within thirty (30) days after the expiration of any such stay, such judgment shall not have been discharged; or
9. **Bankruptcy or Insolvency:** If the Borrower or any Guarantor becomes insolvent or bankrupt, makes an assignment of property to its creditors, avails itself or attempts to avail itself of the *Bankruptcy and Insolvency Act* (Canada) or any other legislation which relates to arrangements between debtors and creditors, or is the subject of any receivership, liquidation or wind-up order or any order or procedure of a similar nature; or
10. **Lien:** Any Lien is published, filed or registered against any property charged under the Loan Documents (including the Property), except such Lien as may be permitted under this Agreement; or
11. **Cessation of Business:** The Borrower ceases or threatens to cease to carry on business on the Property or makes or proposes to make any sale of the whole or any substantial portion of its assets in bulk, or otherwise, out of the normal course of its business; or
12. **Default under Lease:** Should the Borrower or any tenant default under any Lease in respect of the Property beyond any period given by the terms of the Lease to cure such default, or any Lease in respect of the Property is terminated or assigned by the Borrower or any tenant; or
13. **Default under Other Encumbrances:** If the Borrower is in default under any mortgage or Lien charging the Property and such default continues until the expiry of the time permitted under such mortgage or encumbrance for remedying any such default; or
14. **Collateral Agreements:** A default or event of default occurs under any financing, credit or security agreement, including equipment loan agreements, between the Borrower, the

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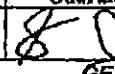
Initials		
Borrower	Lender	Guarantors
		
		GE Canada

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Borrower's affiliates, the Guarantor, or the Guarantor's affiliates and the Lender, the Lender's nominee or any of their affiliates (including for greater certainty GE Canada Real Estate Financing Limited Partnership, GE Canada Leasing Services Company, GE Canada Asset Financing Inc., General Electric Canada Real Estate Finance Inc., GE Canada Equipment Financing G.P. and General Electric Canada Equipment Finance G.P.).

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Borrower	Lender	Guarantors
		
		GE Canada

Schedule "D"**Application of Payments****1. Application of Payments Before Exercise of Rights**

All payments made by or on behalf of the Borrower under this Agreement before the exercise by the Lender or its nominee of any rights arising further to the occurrence of an Event of Default shall be applied in each instance in the following order:

- 1.1 First in payment of any amounts due and payable as and by way of recoverable expenses hereunder;
- 1.2 Secondly, in payment of any fees, interest or default interest then due and payable on or in respect of the Loan Amount;
- 1.3 Thirdly, in repayment of any principal amounts outstanding on account of the Loan Amount; and
- 1.4 Fourthly, in payment of any other amounts then due and payable by the Borrower hereunder.

2. Application of Payments After Exercise of Rights

All payments made by or on behalf of the Borrower under this Agreement after the exercise of any rights arising further to the occurrence of an Event of Default shall be applied in each instance in the following order, unless the Lender otherwise determines in its sole and absolute discretion:

- 2.1 First, in payment of the reasonable costs and expenses of any realization, including the out-of-pocket expenses of the Lender and the reasonable fees and out-of-pocket expenses of counsel in connection therewith, and to the payment of all funds made available by the Lender for the account of the Borrower in connection with such realization and the payment of all costs and expenses incurred by the Lender in connection with the administration and enforcement of this Agreement or the other Loan Documents, to the extent that such funds, costs and expenses shall not have been reimbursed to the Lender;
- 2.2 Secondly, in payment of any unpaid fees, interest or default interest due hereunder or otherwise in respect of the Loan Amount to and including the date of such application;
- 2.3 Thirdly, in payment of principal and then to the payment of any other monies outstanding under this Agreement and under the other Loan Documents; and
- 2.4 Fourthly, in payment of the balance, if any, of such proceeds to the Borrower or such other person(s) who may be entitled at law to such proceeds or, in each case, their respective successors or assigns, or as a court of competent jurisdiction may otherwise direct.

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Initials		
Borrower	Lender	Guarantors
		

GE Canada

CONFIDENTIAL

July 05, 2007

1706028 Ontario Inc.
O/A Clarion Suites Belleville
C/O Zohar A. Hirji
211 Pinnacle Street
Belleville, Ontario
K8N 3A7

Attention: M. Sivaramalingam Suthakaran,

Re: Supplement to the Commitment Letter (defined below) re: CAD \$2,600,000.00 loan from GE Canada Equipment Financing C.P. / Financement d'équipement GE Canada S.E.N.C. to 1706028 Ontario Inc. secured by a real estate property (the "Property") located at 211 Pinnacle Street, Belleville, Ontario, K8N 3A7.

Dear Sir:

Reference is made to the Commitment Letter (the "Commitment Letter") dated May 25, 2007 by GE Canada Equipment Financing C.P./Financement D'équipement GE Canada S.E.N.C. (the "Lender") and accepted by 1706028 Ontario Inc. (the "Borrower"), by 1698557 Ontario Inc., Mr. Sivaramalingam Suthakaran and Mr. Nick Udayakumar.

The capitalised words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment Letter.

We hereby confirm that the Commitment Letter has been amended and that the Borrower of the Loan shall be 1733073 Ontario Inc. and not 1706028 Ontario Inc.

We hereby confirm that the Loan shall be in the maximum principal amount of \$ 2,600,000.00

We hereby confirm that the Mortgage shall be register the maximum principal amount of \$7,962,500.00

We hereby confirm that the Interest Rate applicable to the Loan shall be, as of the Advance Date (if an only if the Advance Date is July 6, 2007), 7.32% per annum, to be computed and paid in the manner set forth in the Commitment Letter.

The terms, conditions and provisions of the Commitment Letter and all other Loan Documents shall remain in full force and effect, unamended as of the date hereof. The execution by the parties of this Supplement to the Commitment Letter shall not create any novation.

This Supplement to the Commitment Letter shall be governed by the laws of the province in which the Property is located and the federal laws applicable therein.

Signatures page to follow

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GE CANADA EQUIPMENT FINANCING C.P./
FINANCEMENT D'ÉQUIPEMENT GE CANADA S.E.N.C.

Per: _____

Name: _____

Title: _____

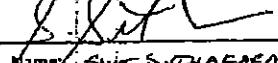
Per: _____

Name: _____

Title: _____

The undersigned accepts the foregoing Supplement to the Commitment Letter.

BORROWER: 1733073 Ontario Inc.

Per: 
Name: Sven Svartforsen
Title: PRESIDENT

Per: _____

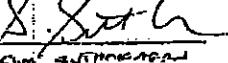
Name: _____

Title: _____

JOINDER BY GUARANTOR

Each guarantor hereby executes and delivers this Supplement to the Commitment Letter to acknowledge its terms and conditions.

LOAN GUARANTOR: 1698557 Ontario Inc.

Per: 
Name: Sven Svartforsen
Title: PRESIDENT

Per: _____

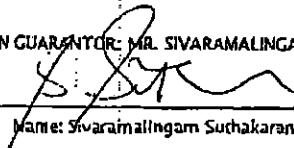
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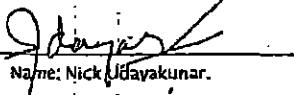
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LOAN GUARANTOR: MR. SIVARAMALINGAM SUTHAKARAN

Per: 

Name: Sivaramalingam Suthakaran

LOAN GUARANTOR: MR. NICK UDAYAKUNAR

Per: 

Name: Nick Udayakunar.

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1706028 Ontario Inc.
O/A Clarion Suites Belleville
C/O Zohar A. Hirji
211 Pinnacle Street
Belleville, Ontario
K8N 3A7

Attention: M. Sivaramalingam Suthakaran,

Re: Supplement to the Commitment Letter (defined below) re: CAD \$2,600,000.00 loan from GE Canada Equipment Financing G.P. / Financement d'Équipement GE Canada S.E.N.C. to 1706028 Ontario Inc. secured by a real estate property (the "Property") located at 211 Pinnacle Street, Belleville, Ontario, K8N 3A7.

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The capitalised words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment Letter.

We hereby confirm that the Commitment Letter has been amended and that the Borrower of the Loan shall be 1733073 Ontario Inc. and not 1706028 Ontario Inc.

We hereby confirm that the Loan shall be in the maximum principal amount of \$ 2,600,000.00

We hereby confirm that the Mortgage shall be register the maximum principal amount of \$7,962,500.00

We hereby confirm that the Interest Rate applicable to the Loan shall be, as of the Advance Date (if an only if the Advance Date is July 5, 2007), 7.40% per annum, to be computed and paid in the manner set forth in the Commitment Letter.

The terms, conditions and provisions of the Commitment Letter and all other Loan Documents shall remain in full force and effect, unamended as of the date hereof. The execution by the parties of this Supplement to the Commitment Letter shall not create any novation.

This Supplement to the Commitment Letter shall be governed by the laws of the province in which the Property is located and the federal laws applicable therein.

Signatures page to follow

GE CANADA EQUIPMENT FINANCING G.P./
FINANCEMENT D'ÉQUIPEMENT GE CANADA S.E.N.C.

Per: _____

Name:

Title:

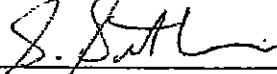
Per: _____

Name:

Title:

The undersigned accepts the foregoing Supplement to the Commitment Letter.

BORROWER: 1733073 Ontario Inc.

Per: 

Name: SIVA SUTHAKARAN

Title: PRESIDENT

Per: _____

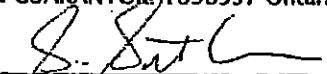
Name:

Title:

JOINDER BY GUARANTOR

Each guarantor hereby executes and delivers this Supplement to the Commitment Letter to acknowledge its terms and conditions.

LOAN GUARANTOR: 1698557 Ontario Inc.

Per: 

Name: SIVA SUTHAKARAN

Title: PRESIDENT

Per: _____

Name:

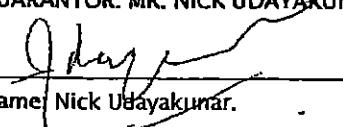
Title:

LOAN GUARANTOR: MR. SIVARAMALINGAM SUTHAKARAN

Per: 

Name: Sivaramalingam Suthakaran

LOAN GUARANTOR: MR. NICK UDAYAKUNAR

Per: 

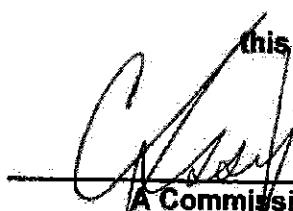
Name: Nick Udayakunar.

This is Exhibit "B" referred to in the

Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this 15th day of July, 2011


A Commissioner for taking Affidavits, etc.

**CAREL ISSID, ATTORNEY-AT-LAW,
PROVINCE OF QUEBEC**

LRO # 21 Charge/Mortgage

Registered as HT35136 on 2007 07 13 at 16:54

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

yyyy mm dd Page 1 of 5

Properties

PIN 40502 - 0027 LT **Interest/Estate** Fee Simple
Description LT 24 E/S PINNACLE ST PL GOV BELLEVILLE THURLOW; PT LT 25 E/S PINNACLE ST
 PL GOV BELLEVILLE THURLOW AS IN QR362112; S/T QR362112; BELLEVILLE;
 COUNTY OF HASTINGS
Address 00211 PINNACLE ST
 BELLEVILLE

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 1733073 ONTARIO INC.
Address for Service 47 Mossgrove Trail
 Toronto ON M2L 2W2

I, Sivaramalingam Suthakaran, have the authority to bind the corporation.

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

Chargee(s)**Capacity****Share**

Name GENERAL ELECTRIC CANADA REAL ESTATE FINANCE
 INC.
Address for Service 5500 North Service Road
 8th Floor
 Burlington On L7L 6W6

Statements

Schedule: See Schedules

Provisions

Principal \$7,962,500.00 **Currency** CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate 25.0%
Payments
Interest Adjustment Date
Payment Date See Schedule
First Payment Date
Last Payment Date
Standard Charge Terms 200612
Insurance Amount full insurable value
Guarantor 1698557 Ontario Inc., Sivaramalingam Suthakaran and Niranjan
 Udayakumar, jointly and severally

Signed By

Catherine Ellen Buntain Jeske

222 Bay Street, PO Box 124, Ernst & Young Tower
 & Young Tower
 Toronto
 MSK 1H1

(s)

Tel 4167770101

Fax 4168651398

LRO # 21 Charge/Mortgage

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

Registered as HT35136 on 2007 07 13 at 16:54

yyyy mm dd Page 2 of 5

Submitted By

AYLESWORTH LLP

222 Bay Street, PO Box 124, Ernst
& Young Tower
Toronto
M5K 1H1

2007 07 13

Tel 4167770101

Fax 4168651398

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

SCHEDULE B

EXPLANATION OF THIS DOCUMENT AND NON-MERGER

In this document you means each person who has signed this mortgage (the "Mortgage") as chargor. We means each chargee to whom the Mortgage is given. By signing this document, you are agreeing to the terms set out in this document and in our standard charge terms 200612 (The "Standard Charge Terms"), except as far as this document excludes or varies those terms. "Real Property" means all of the lands described in the Charge/Mortgage of Land or Mortgage to which this schedule is attached.

You agree that the terms in the commitment letter (the "Loan Agreement") dated as of May 25, 2007 and made between you and GE Canada Equipment Financing G.P., shall survive the execution and registration of the Mortgage and all other security documentation and that such terms shall not be deemed to be merged in the Mortgage or other security documentation. In the event of conflict between the terms of the Loan Agreement and the Mortgage and other security documentation, the terms of the Loan Agreement shall prevail, otherwise we shall have the rights granted in all of the Loan Agreement, the Mortgage and the other security documentation.

The parties hereto acknowledge that General Electric Canada Real Estate Finance Inc. holds this charge as nominee for GE Canada Equipment Financing G.P. The parties further agree that this charge is given as security for all amounts due and owing to GE Canada Equipment Financing G.P. under the Loan Agreement and any other security therefore. The parties agree that any defaults under the Loan Agreement shall be a default hereunder and that any defaults under this charge shall be a default under the Loan Agreement.

INDEBTEDNESS SECURED BY THIS MORTGAGE

1. You have at our request agreed to give this Mortgage as a continuing collateral security for payment and satisfaction to us of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of you to us, whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by us, our receiver or agent in the preparation, perfection and enforcement of security or other agreements held by us in respect of such indebtedness, obligations or liabilities, and interest thereon (collectively, the "Indebtedness") but it being agreed that this Mortgage at any one time will not secure that portion of the aggregate principal component of the Indebtedness outstanding at such time which exceeds the sum of **SEVEN MILLION NINE HUNDRED AND SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$7,962,500.00)**.
2. PROVIDED THIS Mortgage will be void upon you, paying on demand to us, the ultimate balance of the Indebtedness, the principal component of such Indebtedness not exceeding the sum of **SEVEN MILLION NINE HUNDRED AND SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$7,962,500.00)** in lawful money of Canada together with interest on the Indebtedness at 25% per cent per annum, calculated semi-annually not in advance as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the principal sum, together with all other amounts payable by you hereunder and you paying any taxes, rates, levies, mortgages or assessments upon the Real Property no matter by whom or what authority imposed and you observing and performing all covenants, provisos and conditions herein contained.

3. IT IS AGREED BY AND BETWEEN THE PARTIES HERETO as follows:

- (a) That no part of any Indebtedness existing at the date of this Mortgage or incurred or arising thereafter, shall be deemed to be unsecured by this Mortgage.
- (b) That this Mortgage is and shall be a continuing collateral security to us for the amount of such Indebtedness and shall be deemed to be taken as security for the ultimate balance of such Indebtedness; AND these presents shall not, nor shall anything herein contained operate so as to create any merger or discharge of any debt owing to us or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by us from you or from any other person or persons and this Mortgage shall not in any way prejudicially affect any security held or which may hereafter be held by us for the Indebtedness or any part thereof, or the liability of any endorser or any other person or persons upon

any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by us for or on account of the Indebtedness or any part or parts thereof, nor shall our remedies in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of this Mortgage.

- (c) That any and all payments made in respect of the Indebtedness and interest and the moneys or other proceeds realized from the sale of any securities held therefore including this Mortgage may be applied and reapplied notwithstanding any previous application on such part or parts of the Indebtedness or interest as we may see fit or may be held unappropriated in a separate collateral account for such time as we may see fit.
- (d) That we may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with you, and all other persons, securities and guarantees as we may see fit without prejudicing our rights under this Mortgage.
- (e) That the taking of judgment in respect of the Indebtedness or any instrument or instruments now or hereafter representing or evidencing the Indebtedness or under any of the covenants herein or in any such instrument contained or implied shall not operate as a merger of the Indebtedness or such instrument, instruments or covenants nor affect our right to interest at the rate and times herein provided nor affect nor prejudice any rights or remedies given to us by the terms hereof.

4. You covenant with us as follows:

- (a) This Mortgage and the covenants, provisos, obligations and agreements on your part herein contained shall be the continuing obligations and liability of you and shall cover all the Indebtedness and obligations of you and shall apply to and shall secure any ultimate balance of the moneys secured or intended to be secured hereby;
- (b) We shall not be bound to exhaust our recourse against any other persons or any securities (which term when used in this paragraph 4 includes guarantees) we may at any time hold before being entitled to payment from you of the moneys hereby secured and you renounce to all benefits of discussion and division;
- (c) This Mortgage and the Indebtedness and obligations of you hereunder shall not be affected by the death or loss or diminution of capacity of you or by any change in your name or by the acquisition of your business by a corporation, person or other entity, or by any change whatsoever in your objects, capital, structure or constitution or by you or your business being amalgamated with a corporation or corporations, or wound up or its corporate existence terminated but shall notwithstanding the happening of any such event continue to exist and apply to the full extent as if such event had not happened;
- (d) This Mortgage shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to us and all dividends, compositions, proceeds of security valued and payments received by us from you or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of you to claim any in reduction of your liability under this Mortgage the benefit of any such dividends, compositions, proceeds or payments or any securities held by us or proceeds thereof, and you shall not have the right to be subrogated in any of our rights until we shall have received payment in full of all Indebtedness;
- (e) All of the moneys hereby secured or intended to be secured hereby shall be deemed to form part of the Indebtedness and obligations of you notwithstanding any lack or limitation of status or of power, incapacity or disability of you or of your directors, partners or agents thereof, or that you may not be a legal or

sueable entity, or any irregularity, defect or informality in the borrowing or obtaining of such moneys, advances, renewals or creditors, or in the taking or registering of this Mortgage or any other securities, the whole whether known to us or not; and all the moneys secured hereby or intended to be secured hereby shall be recoverable from you as sole or principal debtor in respect thereof and shall be paid to us on demand with interest and accessories; and

(f) Any account stated by us shall be accepted by you as *prima facie* evidence of the amount which at the date of the account so stated is due by you to us or remains unpaid by you to us, absent manifest error.

5.0 TERMS

(a) **Transfer or Encumbrance of the Property:** You shall not, without our prior written consent, sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the property or any part thereof, or permit the property or any party thereof to be sold, conveyed, alienated, mortgaged, encumbered, pledged, or otherwise transferred, and no sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the property, or of any interest therein, shall be permitted while there is Indebtedness owing herein without our prior written approval.

This is Exhibit "C" referred to in the

Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this, 15th day of July, 2011


A Commissioner for taking Affidavits, etc.

**CAREL ISSID, ATTORNEY - AT - LAW,
PROVINCE OF QUEBEC**

LRO # 21 Notice Of Assignment Of Rents-General

In preparation on 2007 06 26 at 13:04

This document has not been submitted and may be incomplete.

yyyy mm dd

Page 1 of 1

Properties

PIN 40502 - 0027 LT

Description LT 24 E/S PINNACLE ST PL GOV BELLEVILLE THURLOW; PT LT 25 E/S PINNACLE ST PL GOV BELLEVILLE THURLOW AS IN QR362112; S/T QR362112; BELLEVILLE COUNTY OF HASTINGS

Address 00211 PINNACLE ST
BELLEVILLE

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name 1733073 ONTARIO INC.
Acting as a company

Address for Service 47 Mossgrove Trail
Toronto ON M2L 2W2

I, Sivaramalingan Suthakaran, 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 GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.
Acting as a company

Address for Service 5500 North Service Road
8th Floor
Burlington ON L7L 6W6

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, FIRST CHARGE FROM 1706028 ONTARIO INC. to which this notice relates is deleted

Schedule: See Schedules

SCHEDULE "A"

BETWEEN:

1733073 Ontario Inc.

(hereinafter called the "Mortgagor")

- and -

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.

(hereinafter called the "Mortgagee")

WHEREAS:

The Mortgagor is the registered owner of the lands and premises described herein (the "Lands") subject to a Charge/Mortgage of Land (the "Mortgage") made by the Mortgagor in favour of the Mortgagee and referred to in this document to secure the sum of **SEVEN MILLION NINE HUNDRED SIXTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$7,962,500.00)**.

The Mortgagor's title to the Lands is or may be subject to leases and the Mortgagor has agreed to assign such leases and the rents therefrom to Mortgagee as well as all future leases of and rental income from the Lands, for the purpose of securing the payment of the principal, interest and other monies secured by the said Mortgage.

The parties hereto acknowledge that General Electric Canada Real Estate Finance Inc. is the nominee of GE Canada Equipment Financing G.P.

NOW, THEREFORE in consideration of the sum of **TWO (\$2.00) DOLLARS** of lawful money of Canada now paid by Mortgagee to Mortgagor, (the receipt and sufficiency whereof are hereby acknowledged by Mortgagor) Mortgagor hereby transfers, assigns and sets over unto Mortgagee all its collective rights, title and interests in:

- (a) all present and future leases (the "Leases") of the Lands, if any;
- (b) all rents and other monies (herein called the "rents") now due and payable or hereafter to become due and payable under such leases or any extensions or renewals thereof; and
- (c) the benefits of all covenants, stipulations and provisions contained in the Leases.

TO HOLD and receive the same unto Mortgagee.

I. Mortgagor represents, warrants, covenants and agrees with Mortgagee as follows:

- (i) The sole ownership of the entire landlord's interest in the leases is or shall be vested in Mortgagor, and Mortgagor has not, and shall not, perform any acts or execute any other instruments which might prevent Mortgagee from fully exercising its rights under any of the terms, covenants and conditions of this Assignment;
- (ii) The Leases are and shall be valid, subsisting and enforceable in accordance with their terms and have not been altered, modified, subsisting, amended, terminated, cancelled, renewed or surrendered nor have any of the terms and conditions thereof been waived in any manner whatsoever except as approved in writing by Mortgagee;
- (iii) Without limiting the foregoing Mortgagor shall not alter the terms of the Leases including without limitation, the amount of rent payable or the length of the term of any Lease without notice to Mortgagee and without Mortgagee's prior written consent which consent may not be unreasonably withheld;

(iv) There are no defaults now existing under any of the Leases, and there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute a default under any of the Leases;

(v) Mortgagor shall give prompt notice to Mortgagee of any notice received by Mortgagor claiming that a default has occurred under any of the Leases on the part of Mortgagor, together with a complete copy of any such notice;

(vi) Each of the Leases shall remain in full force and effect irrespective of any merger of the interest of landlord and any tenant under any of the Leases;

(vii) Mortgagor will not permit any Lease to become subordinate to any lien;

(viii) Mortgagor shall deliver to Mortgagee true and correct copies of all existing Leases and all amendments and modifications thereto;

(ix) Mortgagor further agrees that it will not without prior written consent of the Mortgagee lease or agree to lease any part of the Lands except at a rent, upon terms and conditions, and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased; and

(x) The Mortgagor now has in its good right, full powers and absolute authority to assign the said leases and the said rents and other benefits in the manner aforesaid accruing to the true intent and meaning of this Assignment.

2. Mortgagor hereby authorizes Mortgagee to give written notice of this Assignment (the "Notice"), which may include a copy hereof, at any time after a default under the Mortgage to any tenant under any of the Leases.

3. Until default shall have been made in payment of any instalment of principal or of interest or of other monies as provided in the Mortgage or any renewal thereof or amendment thereto or until the breach of any covenants contained in the Mortgage, Mortgagor shall be entitled to receive all rents payable under the Leases and shall not be liable to account therefor to Mortgagee. If a default shall occur pursuant to the terms of the Mortgage, Mortgagee may, at its option, after service of a Notice, receive and collect all such rents, income and profits as they become due, from or in respect of the Lands. Mortgagee shall thereafter continue to receive and collect all such rents, income and profits, until Mortgagee shall otherwise agree in writing. All sums received by Mortgagor after service of such Notice shall be deemed received in trust and shall be immediately turned over to Mortgagee. Tenants of the Lands are hereby expressly authorized and directed, from and after service of a Notice, to pay any and all amounts due pursuant to the Leases to Mortgagee or such nominee as Mortgagee may designate in writing delivered to and received by such tenants who are expressly relieved of any and all duty, liability or obligation of Mortgagor in respect of all payments so made.

4. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney-in-fact with power of substitution and with full power for Mortgagee in its own name and capacity or in the name and capacity of Mortgagor, from and after service of Notice, to demand, collect, receive and give complete acquittances for any and all rents, income and profits accruing from the Lands, either in its own name or in the name of Mortgagor or otherwise, which Mortgagee may deem necessary or desirable in order to collect and enforce the payment of the rents, income and profits and to demand, receive, endorse, and deposit all cheques, drafts, money orders or notes given in payment of such rents whether made payable to Mortgagor or Mortgagee. Such appointment is coupled with an interest and is irrevocable. Mortgagee shall not be liable for or prejudiced by any loss of any note, cheques, drafts, etc., unless such loss is due to the gross negligence or willful misconduct of Mortgagee.

5. Nothing herein contained shall be deemed to have the effect of making Mortgagee responsible for the collection of the rents or any part thereof or for the performance of any covenants, terms and conditions either by the landlord or by the tenant contained in the Leases and Mortgagee shall not by virtue of these presents be deemed a mortgagee in possession of the Lands or any part thereof and that this Assignment shall not of itself create the relationship of landlord and tenant as between Mortgagee and any tenants of the Lands. Mortgagee shall be under no obligation to exercise or

prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the landlord under any of the Leases and does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of Mortgagor in the Leases. It is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of the Lands, or parts thereof, upon Mortgagor, nor shall it operate to make Mortgagor liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Lands by any tenant under any of the Leases or any other person, or for any dangerous or defective condition of the Lands or for any negligence in the management, upkeep, repair or control of the Lands resulting in loss or injury or death to any lessee, licensee, employee or stranger.

6. Mortgagor shall be liable to account for only such monies as shall actually come into its possession by virtue of these presents and that such monies when received by Mortgagor shall be applied on account of the monies from time to time due to Mortgagor and any renewal thereof or amendment thereto or under any agreement collateral thereto and out of the surplus (if any) shall be paid the taxes and assessments whether municipal or provincial which are charged against the Lands, insurance premiums, damage claims, the costs of maintaining, repairing, rebuilding and restoring the improvements on the Lands or of making the same rentable, reasonable attorneys' fees incurred in connection with the enforcement of this Assignment if in such order as Mortgagor may determine.
7. None of the rights or remedies of Mortgagor under the Mortgage shall be delayed or in any way prejudiced by these presents or by any act of Mortgagor pursuant hereeto.
8. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with Mortgagor or any extension of time for payment or any release of part or parts of the Lands, or of any collateral or additional security which may be given to Mortgagor, the Leases, rents and other benefits hereby assigned shall continue as security until the whole of the monies secured by the Mortgage shall be fully paid and satisfied.
9. Mortgagor covenants and agrees from time to time and at all times hereafter at the request of Mortgagor to execute and deliver at the expense of Mortgagor further assurances for the better and more perfectly assigning to Mortgagor of the Leases and any renewals thereof and the rents payable thereunder; in the manner aforesaid as Mortgagor shall be reasonably advised and at the request of Mortgagor to assign to Mortgagor any Leases of parts or parts of the Lands which may be created in the future and which Mortgagor may require assigned to it, and to give any other parties thereto a notice of such assignment and to obtain from them acknowledgments of such notice, such notice and acknowledgements to be similar to the forms heretofore given to Mortgagor by Mortgagor.
10. Mortgagor covenants to and with Mortgagor to perform and fulfil according to the true intent and meaning thereof all the covenants and agreements contained in the Leases to be performed by Mortgagor as landlord therein.
11. Mortgagor may waive any default or breach of covenant and shall not be bound to serve any notice upon a tenant upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenants.
12. The rights and remedies of Mortgagor under this Assignment are cumulative and are not in lieu of, but are in addition to any other rights or remedies which Mortgagor shall have under the Mortgage or any other instrument constituting security for amounts owing to Mortgagor or at law or in equity.
13. If any term of this Assignment, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.
14. Any notice, request or other communication to be given under this Agreement, except as otherwise specifically stated, shall be in writing and may be delivered by Federal Express or similar overnight courier service or personally or by prepaid mail to the mailing address, of a party as

stated in this Agreement and to the attention of the person or to such other mailing or telecopier number as the party may notify to the other from time to time under this provision or to the last known mailing address of the person in the possession of the party sending the notice, request or communication. Any such notice, request or other communication if delivered or mailed, shall be deemed to have been given when received.

15. This Assignment shall be construed and enforced under the laws of the province in which the Lands are situate (excluding choice-of-law principles).

16. Upon the repayment by Mortgagor of the whole of the monies secured by the Mortgage and upon performance of all the covenants therein contained, a discharge of the Mortgage shall, upon delivery of such discharge to Mortgagor, constitute a re-assignment of the Leases to Mortgagor and Mortgagor agrees to execute such further re-assignments and discharges thereof and financing change statements with respect thereto as Mortgagor may reasonably request.

17. The gender and number used in this Assignment are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

18. This Assignment may not be amended, modified or changed nor shall any waiver of any provisions hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

19. This Assignment and everything herein contained shall enure to the benefit of and be binding upon not only the parties hereto but also their successors and assigns.

ACKNOWLEDGEMENT AND DIRECTION

TO: GE Electric Canada Real Estate Finance
AND TO: AYLESWORTH LLP
RE: Assignment of Rents - 211 Pinnacle Street, Belleville, Ontario
1733073 Ontario Inc. p/f Shaheshah Investments Ltd.

THIS WILL CONFIRM THAT:

1. I/We have reviewed the information set out below, and that this information is accurate;
2. You are authorized and directed to register electronically on my/our behalf the electronic documents attached hereto as Schedules "A" as well as any other document(s) required to complete the transaction described above (the "Electronic Documents");
3. The effect of the electronic documents described in this Acknowledgement and Direction has been fully explained to me/us and I/we understand that I/we are parties to and bound by the terms and provisions of these electronic document(s) to the same extent as if I/we had signed these documents; and
4. I/we are in fact parties named in the electronic documents described in this Acknowledgement and Direction and I/we have not misrepresented our identities to you.
5. You are further authorized to amend the Electronic Documents, if necessary, without our further authorization in order to conform the Electronic Documents to other security that has been executed by us and provided to you, or to register any other document(s) required, in order to complete the transaction described above, or to add registration particulars of documents that are being registered concurrently with the Electronic Documents.

Dated at Bakersfield, this 24th day of June, 2001.

1733073 Ontario Inc.

Perry

Name: Sivarāmalingam Suthakaram

Title: President

I have authority to Bind the Corporation

1698557 Ontario Inc.

Per

Name: Sivaramalingam Sudhakarap

Title: President

I have authority to Bind the Corporation

EXECUTED at Toronto, Ontario on June 2007

Witness

SIVARAMALINGAM SUTHAKARAN

EXECUTED at Toronto, Ontario on June , 2007

Witness

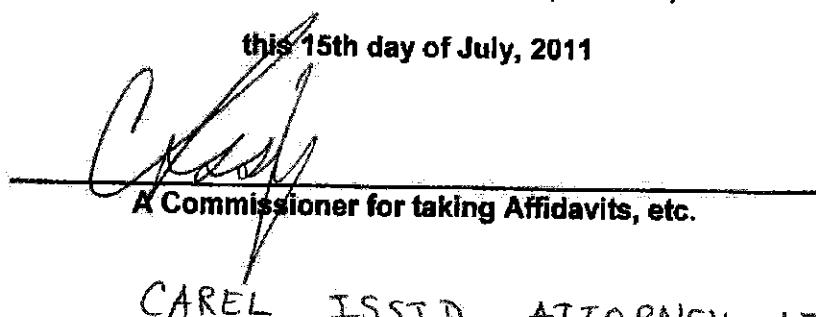
NIRANJAN UDAYAKUMAR

This is Exhibit "D" referred to in the

Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this 15th day of July, 2011


A Commissioner for taking Affidavits, etc.

**CAREL ISSID, ATTORNEY -AT -LAW,
PROVINCE OF QUEBEC**

THIS LEASE made the 1st day of July, 2004.

BETWEEN:

SHAHESHAH INVESTMENTS LTD., a Corporation under the Laws of Ontario,

(hereinafter called the "Landlord")

of the FIRST PART

- and -

1066036 ONTARIO INC., a Corporation under the Laws of Ontario, operating as "THE SILK ROUTE RESTAURANT",

(hereinafter called the "Tenant")

of the SECOND PART

IN CONSIDERATION of the rents to be paid and the covenants and agreements hereinafter provided for, the Landlord and the Tenant, hereby agree as follows:

Leased Premises:

Certain premises (the "Leased premises") having an area of approximately 3,500 square feet, facing west and north on Pinnacle Street, located on the main floor of the Landlord's property located municipally at 211 Pinnacle Street, Belleville, Ontario, and more particularly set out in the attached Schedule "A" comprising a diagram of the Leased Premises.

No additional area shall be added to the area of the Leased Premises for the use of the Tenant or in common with other tenants and occupants of the building.

Use:

The Tenant shall use the Leased Premises for the operation of a restaurant business and such activities which relate to such restaurant business.

Delivery of Premises:

The Landlord shall deliver the Leased Premises to the Tenant, "as is". The Landlord shall undertake at its expense, during the term of the Lease and including any subsequent or renewal terms herein, to ensure the delivery of heating, ventilation and electrical services are brought to the Leased Premises and the Landlord shall be further responsible for all required maintenance, upkeep, of all heating, ventilation, air conditioning and electrical supply and equipment to the Lease Premises.

Fixturing Period:

The Landlord shall provide the Tenant vacant possession of the Leased Premises on or about July 1st, 2004 for the purposes of outfitting and fixturing the Leased Premises (the "Fixturing Period").

Term:

The lease shall be for an initial term of five (5) years commencing July 1, 2004 and terminating June 30th, 2009, and, provided the Tenant is not in default of its obligations

under this Lease herein, the Tenant shall have the sole and exclusive right to renew the said Lease (which said right shall be exercised by written notice to the Landlord three (3) months prior to the expiry of the term herein), for an additional three (3) year term, which said additional term shall commence July 1st, 2009 and shall thereafter terminate June 30th, 2012.

Gross Rent:

The Landlord and Tenant agree, that the rents payable by the Tenant to the Landlord shall be all inclusive of all utilities and other operating and service costs as set out herein (which said costs shall be entirely the Landlord's responsibility). During the term of the Lease herein, the Tenant shall pay to the Landlord the sum of Five Thousand (\$5,000.00) Dollars per month, totaling Sixty Thousand (\$60,000.00) Dollars per year, for the use of the said premises which shall include, all "operating costs" of the Tenant with respect to the said premises and "operating costs" shall mean, all hydro, water, gas, heating, air conditioning, parking lot cleaning, maintenance and snow removal, insurance, together with the full and exclusive use of all sidewalks, passageways, entrances and all other services and utilities as may be provided to the premises. The Tenant shall be responsible for maintaining all equipment in the leased premises and the Landlord shall be responsible for maintaining all structural and fixed items. The Landlord shall be fully responsible for all property taxes associated with the Leased Premises. The Landlord's obligations shall continue during any renewal period.

Rental Amount During Renewal Period:

In the event the Tenant exercises its right to renew the said Lease as set out hereinabove, for the period July 1st, 2009, to and including June 30th, 2012, the said rental amount, shall then be in the amount of Five Thousand, Six Hundred and Twenty-Five (\$5,625.00) Dollars per month, payable on the first day of each month during such renewal period, and totaling Sixty-Seven Thousand, Five Hundred (\$67,500.00) Dollars per annum, with all of the other terms and conditions of this Lease applying to such renewal period.

Maintenance:

The Landlord covenants to maintain the building, including without limitation, the common areas, in accordance with current and first class practices, as would a prudent owner of a similar building. Furthermore, the Landlord covenants, through the term, not to materially adversely affect (i) the access to and vista of the Leased Premises, (ii) the Tenant's business operations therein, and (iii) the overall nature of the Building.

Signage:

The Tenant shall have the exclusive right to install signage, including illuminated signs on the exterior walls of the Leased Premises. Such installation shall comply with the municipal by-laws applicable thereto. The Tenant shall have the right have its signs made and installed by a contractor of its choice and shall be under no obligation to rent them from anyone whomsoever.

The Landlord shall not obstruct or reduce the visibility of the Tenant's signage and neither allow nor tolerate that such signage be obstructed or the visibility of same be reduced. The Landlord shall ensure that all existing signage used for the benefit of the Tenant, shall continue as part of the Landlord's obligations herein.

Telephone Service Usage:

The Landlord agrees herein that it shall continue the current use of its telephone services by the Tenant - for the benefit of the Tenant, failing which the Landlord shall be required to

provide the Tenant with replacement telephone services, at the Landlord's expense.

Assignment, Subletting:

The Tenant shall have the right to assign the lease or to sublet the Leased Premises, in whole or in part, subject to the prior written consent of the Landlord which shall not be refused without serious reasons.

Business Hours:

The Landlord shall not have any control on the Tenant's business hours and shall not have the right to force the Tenant to operate its business in the Leased Premises. The vacancy of the Leased Premises shall not constitute a default in virtue of the Lease provided the Tenant is not in default of its rental obligations.

Termination:

The Tenant shall, at his sole option, be permitted to terminate this lease without bonus or penalty on six (6) months notice to the Landlord in the event of:

- (i) the principal shareholder or shareholders of the Tenant dies;
- (ii) the principal shareholder or shareholders of the Tenant suffers a catastrophic injury or illness to the extent he or she can no longer carry on business as a restaurant.

Tenant's Improvements:

The Tenant shall have the right from time to time, at its expense, to make improvements or additions to the Leased Premises. Nevertheless, if such improvements or additions shall affect the structure of the building and/or its mechanical systems, the Tenant shall then obtain the Landlord's prior consent which shall not be refused without serious reasons.

The Tenant shall remain at all times sole owner of all its improvements to the Leased Premises, including any and all light fixed equipment installed therein. The Tenant shall have the right to remove or replace any improvements and equipment at any time, during or at the expiry of the lease.

Parking:

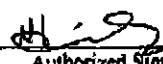
The Tenant shall be entitled to parking spaces presently allocated to it available for use by the Tenant, and its customers, at 211 Pinnacle Street, Belleville, Ontario.

The parties agree that this lease shall be binding upon their respective heirs, executors, administrators and assigns.

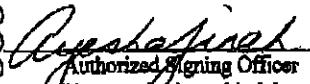
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease this 1st day of July, 2004.

SIGNED, SEALED & DELIVERED
in the presence of

)
) 1066056 ONTARIO INC.
) Operating as Silk Route
) Restaurant

)
) 
) Authorized Signing Officer
) I have authority to bind the
) Corporation.

)
)
) SHAHESHAH INVESTMENTS LTD.

) 
) Authorized Signing Officer
) I have authority to bind the
) Corporation.

This is Exhibit "E" referred to in the

Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this 15th day of July, 2011



A Commissioner for taking Affidavits, etc.

CAREL ISSID, ATTORNEY-AT-LAW,
PROVINCE OF QUEBEC

THIS LEASE made the 1st day of January, 2007.

BETWEEN:

**SHAHESHAH INVESTMENTS LTD., a
Corporation under the Laws of Ontario,**

(hereinafter called the "Landlord")

of the FIRST PART

- and -

**ZEERA HOLDINGS LTD., a Corporation
under the Laws of Ontario, operating as
"Cora's Restaurant",**

(hereinafter called the "Tenant")

of the SECOND PART

IN CONSIDERATION of the rents to be paid and the covenants and agreements hereinafter provided for, the Landlord and the Tenant, hereby agree as follows:

Leased Premises:

Certain premises (the "Leased premises") having an area of approximately 2,600 square feet, facing south on Bridge Street, located on the main floor of the Landlord's property located municipally at 211 Pinnacle Street, Belleville, Ontario, and more particularly set out in the attached Schedule "A" comprising a diagram of the Leased Premises.

No additional area shall be added to the area of the Leased Premises for the use of the Tenant or in common with other tenants and occupants of the building.

Use:

The Tenant shall use the Leased Premises for the operation of a restaurant business and such activities which relate to such restaurant business.

Delivery of Premises:

The Landlord shall deliver the Leased Premises to the Tenant, "as is". The Landlord shall undertake at its expense, during the term of the Lease and including any subsequent or renewal terms herein, to ensure the delivery of heating, ventilation and electrical services are brought to the Leased Premises and the Landlord shall be further responsible for all required maintenance, upkeep, of all heating, ventilation, air conditioning and electrical supply and equipment to the Lease Premises.

Fixturing Period:

The Landlord shall provide the Tenant vacant possession of the Leased Premises on or about January 1st, 2007 for the purposes of outfitting and fixturing the Leased Premises (the "Fixturing Period").

Term:

The lease shall be for an initial term of five (5) years commencing January 1st, 2007 and terminating December 31st, 2011, and, provided the Tenant is not in default of its obligations under this Lease herein, the Tenant shall have the sole and exclusive right to

renew the said Lease (which said right shall be exercised by written notice to the Landlord three (3) months prior to the expiry of the term herein), for two (1) successive five (5) year terms.

The second term, commencing January 1, 2012, to and including December 31st December, 2016

Gross Rent:

The Landlord and Tenant agree herein that the Rents shall be all inclusive of all utility and other operating and service costs as set out herein below (which said costs shall be entirely the Landlord's responsibility) payable by the Tenant to the Landlord shall be as follows:

<u>Date:</u>	<u>Monthly:</u>	<u>Total Yearly:</u>
Jan. 1, 2007 to Dec. 31, 2011	\$5,000.00	\$60,000.00
Jan. 1, 2012 to Dec. 31, 2016	\$5,625.00	\$67,500.00

The Landlord and Tenant agree, that during the term of the Lease herein, the Tenant shall pay to the Landlord the sum of Five Thousand (\$5,000.00) Dollars per month, totaling Sixty Thousand (\$60,000.00) Dollars per year, for the use of the said premises and all "operating costs" of the Tenant with respect to the said premises and "operating costs" shall mean, all hydro, water, gas, heating, air conditioning, parking lot cleaning, maintenance and snow removal, insurance, together with the full and exclusive use of all sidewalks, passageways, entrances and all other services and utilities as may be provided to the premises. The Tenant shall be responsible for maintaining all equipment in the leased premises and the Landlord shall be responsible for maintaining all structural and fixed items. The Landlord shall be fully responsible for all property taxes associated with the Leased Premises. The Landlord's obligations shall continue during any renewal period.

Rental Amount During Renewal Period:

In the event the Tenant exercises its right to renew the said Lease as set out hereinabove, for the period January 1st, 2012, to and including December 31st, 2016, the said rental amount shall then be in the amount of Five Thousand, Six Hundred and Twenty-Five (\$5,625.00) Dollars per month, payable on the first day of each month during such renewal period, and totaling Sixty-Seven Thousand, Five Hundred (\$67,500.00) Dollars per annum, with all of the other terms and conditions of this Lease applying to such renewal.

Maintenance:

The Landlord covenants to maintain the building, including without limitation, the common areas, in accordance with current and first class practices, as would a prudent owner of a similar building. Furthermore, the Landlord covenants, through the term, not to materially adversely affect (i) the access to and vista of the Leased Premises, (ii) the Tenant's business operations therein, and (iii) the overall nature of the Building.

Signage:

The Tenant shall have the exclusive right to install signage, including illuminated signs on the exterior walls of the Leased Premises. Such installation shall comply with the municipal by-laws applicable thereto. The Tenant shall have the right to have its signs made and installed by a contractor of its choice and shall be under no obligation to rent them from anyone whomsoever.

The Landlord shall not obstruct or reduce the visibility of the Tenant's signage and neither allow nor tolerate that such signage be obstructed or the visibility of same be reduced. The Landlord shall ensure that all existing signage used for the benefit of the Tenant, shall continue as part of the Landlord's obligations herein.

Telephone Service Usage:

The Landlord agrees herein that it shall continue the current use of its telephone services by the Tenant - for the benefit of the Tenant, failing which the Landlord shall be required to provide the Tenant with replacement telephone services, at the Landlord's expense.

Assignment, Subletting:

The Tenant shall have the right to assign the lease or to sublet the Leased Premises, in whole or in part, subject to the prior written consent of the Landlord which said consent shall not be unreasonably withheld.

Business Hours:

The Landlord shall not have any control on the Tenant's business hours and shall not have the right to force the Tenant to operate its business in the Leased Premises. The vacancy of the Leased Premises shall not constitute a default in virtue of the Lease provided the Tenant is not in default of its rental obligations.

Termination:

The Tenant shall, at his sole option, be permitted to terminate this lease without bonus or penalty on six (6) months notice to the Landlord in the event of:

- (i) the principal shareholder or shareholders of the Tenant dies;
- (ii) the principal shareholder or shareholders of the Tenant suffers a catastrophic injury or illness to the extent he or she can no longer carry on business as a restaurant.

Tenant's Improvements:

The Tenant shall have the right from time to time, at its expense, to make improvements or additions to the Leased Premises. Nevertheless, if such improvements or additions shall affect the structure of the building and/or its mechanical systems, the Tenant shall then obtain the Landlord's prior consent which shall not be refused without serious reasons.

The Tenant shall remain at all times sole owner of all its improvements to the Leased Premises, including any and all light fixed equipment installed therein. The Tenant shall have the right to remove or replace any improvements and equipment at any time, during or at the expiry of the lease.

Insurance:

The Tenant covenants with the Landlord that, it shall not permit or suffer to be done anything whereby any policy of insurance on the premises may become void or voidable or whereby the rate of premium thereof may be increased, and to repay the Landlord, on demand, all sums paid by increased premiums and all expenses incurred by the Landlord in connection with any renewal or replacement of the policy rendered necessary by breach of this covenant.

Parking:

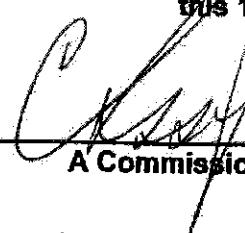
The Tenant shall be entitled to parking spaces presently allocated to it available for use by the

This is Exhibit "F" referred to in the

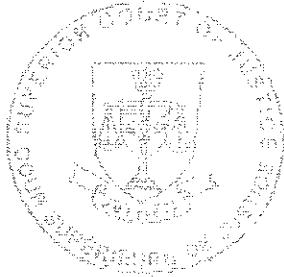
Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this 15th day of July, 2011


A Commissioner for taking Affidavits, etc.

CAREL ISSID, ATTORNEY-AT-LAW,
PROVINCE OF QUEBEC



Court File No.: CV-10-9861-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 27th
JUSTICE *Mesbry*) DAY OF MAY, 2011

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.
AND GE CANADA EQUIPMENT FINANCING G.P.

Applicants

- and -

1733073 ONTARIO INC.

Respondent

ORDER

THIS MOTION made by General Electric Canada Real Estate Finance Inc. ("GE Canada") and GE Canada Equipment Financing G.P./G.E. Canada SCNC ("GE Capital", and together with GE Canada, "GE") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing PricewaterhouseCoopers Inc. as receiver (in such capacities, "PwC" or the "Receiver") without security, of all of the assets, undertakings and properties of 1733073 Ontario Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marc Lapointe sworn April 21, 2011 and the Exhibits thereto, and on reading the Affidavit of Sivaramalingam Suthakaran sworn

November 5, 2010, and on hearing the submissions of counsel for GE and counsel for the Debtor, no one appearing for the other parties on the Service List although duly served, and on reading the consent of PwC to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion 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, PwC is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or

hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$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) 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 operate businesses and premises of the Debtor requiring licenses and permits issued to the Debtor by the Alcohol and Gaming Commission of Ontario and/or the Liquor Licensing Board of Ontario;
- (r) 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;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) 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.

4. **THIS COURT ORDERS** that all licenses and permits issued to the Debtor by the Alcohol and Gaming Commission of Ontario and/or the Liquor Licensing Board of Ontario shall continue and remain in force and effect.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **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.

6. **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.

7. **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

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the 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, centralized reservation systems, credit card processors (including but not limited to VISA, Mastercard, and American Express), payroll services, armoured car service providers for the transport of currency, 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

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any

of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances,

statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

GENERAL

25. **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.

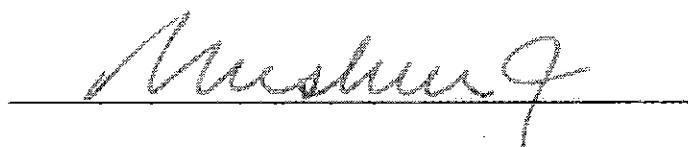
26. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

27. **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.

28. **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.

29. **THIS COURT ORDERS** that the Applicants shall have their costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' 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.

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



ENTERED AT / INSORIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAY 27 2011

PW/PAR 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that PricewaterhouseCoopers Inc., the receiver (the "Receiver") of the assets, undertakings and properties 1733073 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 12th day of May, 2011 (the "Order") made in an application having Court file number CV-10-8961-00CL, 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____.

PricewaterhouseCoopersInc., solely in its capacity
as Receiver of the Property, and not in its personal capacity

Per: _____

Name: _____

Title: _____

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC. et al.

v. 1733073 ONTARIO INC.

- Applicants -

- Respondent

IN THE MATTER OF THE PRIVATE RECEIVERSHIP OF JOSEF HONZAK

ONTARIO

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

(PROCEEDING COMMENCED AT TORONTO)

ORDER

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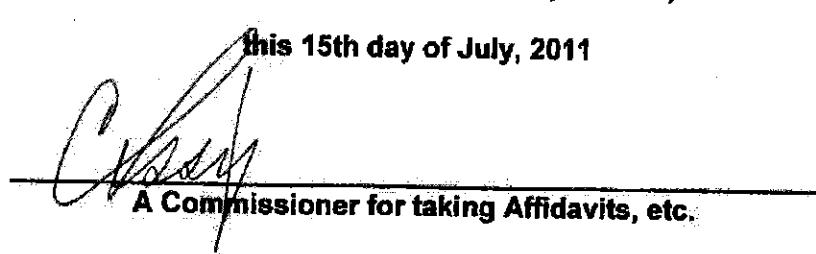
Solicitors for the Applicants,
General Electric Canada Real Estate Finance Inc. and
GE Canada Equipment Finance G.P.

This is Exhibit "G" referred to in the

Affidavit of Marc Lapointe

Sworn before me in Montreal, Quebec,

this 15th day of July, 2011



A Commissioner for taking Affidavits, etc.

**CAREL ISSID, ATTORNEY -AT -LAW,
PROVINCE OF QUEBEC**

Van Soelen, Laura

From: [REDACTED]
Sent: July 6, 2011 4:13 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: FW: GOLDEN GRIDLE LEASE - BELLEVILLE - OUR FILE: 1469001
Attachments: signed golden gridle BELLEVILLE.pdf

From: TK Pillai [mailto:tkpillai@chmcinc.com]
Sent: Thursday, April 02, 2009 2:00 PM
To: Cochrane, John (GE Comm Fin)
Subject: FW: GOLDEN GRIDLE LEASE - BELLEVILLE - OUR FILE: 1469001

Golden Griddle Lease.

From: Manuela Damaso [mailto:manuela@sdslawfirm.com]
Sent: Thursday, April 02, 2009 1:23 PM
To: miruna@chmcinc.com
Cc: siva@chmcinc.com; Puneet Kohli
Subject: GOLDEN GRIDLE LEASE - BELLEVILLE - OUR FILE: 1469001

Hi Miruna as requested, please see attached.

Thank you.

Rose Damaso,
Law Clerk to Mr. Puneet S. Kohli

Simmons da Silva & Sinton LLP
201 County Court Blvd., Suite 200
Brampton, ON L6W 4L2
Tel: 905-457-1706 Ex. 213
Direct: 905-861-2808
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URL: www.sdslawfirm.com

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Court File No. CV-10-8961-00CL

GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC. et al. v. 1733073 ONTARIO INC.

- Applicants -

- Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF MARC LAPOINTE

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Solicitors for the Applicants,
General Electric Canada Real Estate Finance Inc. and
GE Canada Equipment Finance G.P.

Court File No. CV-10-8961-00CL

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ONTARIO
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MOTION RECORD

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