

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A COMPANY CONTINUED PURSUANT TO
THE LAWS OF THE PROVINCE OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

**MOTION RECORD
(Returnable October 12, 2010)**

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

**Neil Abbott (LSUC 32715Q)
Frank Lamie (LSUC #54035S)**

Telephone: (416) 862-4376 / (416) 862-3609
Facsimile: (416) 862-3476 / (416) 862-7661

**Solicitors for GE CANADA,
GE EQUIPMENT, AND GE CAPITAL**

TO: THE SERVICE LIST

TO: BLANEY McMURTRY LLP

Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

Domenico Magisano LSUC #45725E

Tel: (416) 593-2996

Fax: (416) 593-5437

Email: dmagisano@blaney.com

Lawyer for the Lamco Investments Ltd.

AND TO: KRONIS, ROTSZTAIN, MARGLES, AND CAPPEL

Barristers and Solicitors
25 Sheppard Avenue West
Suite 700
Toronto, ON M2N 6S6

Mervyn D. Abramowitz

Tel: (416) 218-5620

Fax: (416) 225-3910

Email: mabramowitz@krmc-law.com

Lawyer for Soberman Inc.

AND TO: GOWLING LAFLEUR HENDERSON LLP

Suite 1600
1 First Canadian Place
100 King Street West
Toronto, ON M5X 1G5

Neil Abbott

Tel: (416) 862-7525

Fax: (416) 862-7661

Email: Neil.Abbott@gowlings.com

Lawyer for G.E. Equipment

AND TO: MINISTRY OF FINANCE (ONTARIO)

Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON L1H 8H5

Attention: Kevin O'Hara LL.M, Senior Counsel

Tel: (905) 433-6934

Fax: (905) 436-4510

Email: Kevin.ohara@ontario.ca

AND TO: DEPARTMENT OF JUSTICE

The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

Attention: Diane Winters

Tel: (416) 973-3172
Fax: (416) 973-0810
Email: diane.winters@justice.gc.ca

Attention: Peter Zevenhuizen

Tel: (416) 952-8563
Fax: (416) 973-0810
Email: peter.zevenhuizen@justice.gc.ca

AND TO: SOBERMAN INC.

2 St. Clair Avenue East
Suite 1100
Toronto, ON M4T 2T5

Hans Rizarri

Tel: (416) 963-7175
Fax: (416) 964-6454
Email: HRizarri@soberman.com

AND TO: INDUSTRY CANADA

Office of the Superintendent of Bankruptcy
Place Bell Building
160 Elgin Street, 11th Floor, Rm B-119
Ottawa, ON K2P 2P7

Attention: Alexandra Jankovich

Tel: (613) 995-2994
Fax: (613) 996-0949

AND TO: INDUSTRY CANADA

Office of the Superintendent of Bankruptcy
Federal Building
451 Talbot Street, Room 303
London, ON N6A 5C9

Attention: Alexandra Jankovich

Tel: (519) 645 4034
Fax: (519) 645 5139

AND TO: PACIFIC SIGN RELEASE
7462 Progress Way
Delta, BC V4G 1E1

AND TO: IRWIN COMMERCIAL FINANCE CANADA CORPORATION
666 Burrard Street
Vancouver, BC V6C 2X9

AND TO: HONDA CANADA FINANCE INC.
3650 Victoria Park Avenue, No. 302
North York, ON M2H 3P7

AND TO: ROYNAT INC.
666 Burrard Street
Vancouver, BC V6C 2X9

AND TO: SCOTIABANK
1525 Britannia Rd. E
Mississauga ON L4W 1S5

Attention: Habib Akhar, Account Manager, Small Business

Attention: Alex Vitaro, Branch Manager

Tel: (905) 795-2900

Fax: (905) 795-2905

AND TO: THE BANK OF NOVA SCOTIA
1 St. Clair Avenue East
Suite 4000, 4th Floor
Toronto, ON M4T 1Z3

AND TO: RAMADA WORLDWIDE
22 Sylvan Way
Parsippany NY 07054

Attention: Mark Young, Brand Senior Vice President

Tel: (973) 753-8211

Fax: (973) 753-8210

INDEX

TAB

- 1 Notice of Motion
 - A Draft Receivership Order
- 2 Affidavit of Edward Khediguian, sworn October 5, 2010
 - A **Exhibit “A”**: Corporation Profile Report of Lamco Investments Ltd.
 - B **Exhibit “B”**: Loan Agreement dated February 24, 2005
 - C **Exhibit “C”**: Mortgage/Charge of Land
 - D **Exhibit “D”**: Assignment of Rents dated March 3, 2005
 - E **Exhibit “E”**: Assignment of Management and Services Agreements dated February 24, 2005
 - F **Exhibit “F”**: General Security Agreement dated February 24, 2005
 - G **Exhibit “G”**: Guarantee and Indemnity dated February 24, 2005
 - H **Exhibit “H”**: Parcel Register
 - I **Exhibit “I”**: Personal Property Security Registry Search
 - J **Exhibit “J”**: Newspaper article dated July 12, 2010
 - K **Exhibit “K”**: BNS Postponement of Interest dated March 3, 2005
 - L **Exhibit “L”**: Letter from BNS’ solicitors dated February 25, 2005
 - M **Exhibit “M”**: BNS Letter dated August 9, 2010
 - N **Exhibit “N”**: CRA Lien on Parcel Register
 - O **Exhibit “O”**: Forbearance Agreement dated May 31, 2010
 - P **Exhibit “P”**: Demand Letter and Notice of Intention to Enforce Security dated August 19, 2010
 - Q **Exhibit “Q”**: Letter Enclosing and Notice of Intention to Make a Proposal dated August 27, 2010
 - R **Exhibit “R”**: Court Order dated September 24, 2010

TAB 1

Court File No.: 31-1175668

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A COMPANY CONTINUED PURSUANT TO
THE LAWS OF THE PROVINCE OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

NOTICE OF MOTION
(Returnable October 12, 2010)

General Electric Canada Real Estate Finance Inc. ("GE Canada") and GE Canada Equipment Financing G.P./G.E. Canada SCNC ("**GE Capital**", and together, "**GE**") will make a motion to the Court on Tuesday, October 12, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard, at 80 Dundas Street, London, Ontario, N6A 6A3.

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

1. THE MOTION IS FOR AN ORDER:

- (a) Abridging the time for service of the Notice of Motion and Motion Record, if necessary, and declaring that this motion is properly returnable on October 12, 2010, and dispensing with further service thereof;
- (b) Declaring the termination of the proposal proceedings and the period provided for under such proceedings as commenced by Lamco Investments Ltd. ("**Lamco**") on August 27, 2010, through the filing of a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**");
- (c) Appointing Shimmerman Penn Title & Associates Inc. ("**SPT**") receiver pursuant to section 243(1) of the BIA and section 101 of the *Courts of Justice Act*, c. C.43,

as amended (the “CJA”) over all of the property, assets and undertakings of Lamco in substantially the form of the draft Order substantially in the form attached as **Schedule “A”** to the Notice of Motion;

- (d) Appointing SPT as the trustee in bankruptcy of Lamco;
- (e) GE’s costs of this motion on a substantial indemnity basis; and
- (f) Such further and other relief as counsel may advise and this Honourable Court may permit.

2. THE GROUNDS FOR THE MOTION ARE:

Background

- (a) Lamco is indebted to GE in the approximate amount of \$3,713,881,46 as at August 19, 2010, plus interest and costs after such date (the “**Debt**”), in respect of certain credit facilities extended by GE to Lamco;
- (b) GE holds security over the assets, property and undertaking of Lamco pursuant to, *inter alia*, a General Security Agreement dated February 24, 2005, together with certain other security (the “**Security**”), and is Lamco’s senior secured lender;
- (c) Lamco has committed various defaults under the Security and the security interests of GE are now enforceable;
- (d) On August 19, 2010, GE delivered to Lamco demand for payment and a Notice of Intention to Enforce Security in accordance with s. 244 of the BIA;
- (e) On August 27, 2010, Lamco filed an NOI and Soberman Inc. (“**Soberman**” or the “**Proposal Trustee**”) was appointed as the Trustee in the anticipated proposal;
- (f) Lamco failed to make a viable proposal before the expiration of the initial 30-day proposal period;
- (g) On September 24, 2010, the Honourable Mr. Justice Little issued an Order extending the proposal period to October 12, 2010;
- (h) Lamco will not likely be able to make a viable proposal acceptable to its creditors before the expiration of the proposal period;
- (i) Circumstances exist which make the extension of the proposal period inappropriate;
- (j) Lamco has not acted in good faith and with due diligence;
- (k) GE and Lamco’s other creditors would be materially prejudiced if the application to terminate the NOI was rejected by this Honourable Court;

- (l) Lamco is insolvent and is unable to repay the Debt;
- (m) The appointment of a receiver is necessary for the protection of Lamco's property and the interests of GE and Lamco's other creditors;
- (n) The appointment of a receiver is just, convenient, in the interests of justice;
- (o) Section 243 of the BIA;
- (p) Section 101 of the CJA;
- (q) Rules 1.04, 2.01, 2.03 and 3.02 of the *Rules of Civil Procedure*; and
- (r) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

- (a) The Affidavit of Edward Khediguian, sworn October 4, 2010; and
- (b) Such further and other materials as counsel may advise and this Honourable Court permits.

Date: October 5, 2010

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors

1 First Canadian Place

100 King Street West, Suite 1600

Toronto, ON M5X 1G5

Neil S. Abbott / Frank Lamie

LSUC No.: 32715Q / 54035S

Tel: 416-862-4376 / 416-862-3609

Fax: 416-862-7661

Counsel for GE Canada,
GE Equipment and GE Capital

TO: THE SERVICE LIST

Schedule "A"

Court File No.: 31-1175668

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A COMPANY CONTINUED PURSUANT TO
THE LAWS OF THE PROVINCE OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

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, "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 Shimmerman Penn Title & Associates Inc. as receiver (in such capacities, SPT or the "Receiver") without security, of all of the assets, undertakings and properties of Lamco Investments Ltd. (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 Edward Khediguian sworn October 4, 2010 and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for the other parties on the Service List although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of SPT 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, SPT 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 \$_____, provided that the aggregate consideration for all such transactions does not exceed \$_____; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

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

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

GENERAL

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

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

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

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

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

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

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] 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 ____ day of _____, 20__ (the "Order") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the ____ day of _____, 20__.

Shimmerman Penn Title & Associates Inc.,
solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE PROPOSAL OF LAMCO INVESTMENTS LTD. A COMPANY CONTINUED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

NOTICE OF MOTION
(Returnable October 12, 2010)

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, ON M5X 1G5

Neil S. Abbott / Frank Lamie
LSUC No.: 32715Q / 54035S

Tel: (416) 862-4376 / (416) 862-3609
Fax: (416) 862-7661

Counsel for GE Canada,
GE Equipment and GE Capital

TAB 2

Court File No.: 31-1175668

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A COMPANY CONTINUED PURSUANT TO
THE LAWS OF THE PROVINCE OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF EDWARD KHEDIGUIAN
(Sworn October 4, 2010)

I, EDWARD KHEDIGUIAN, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am the Senior Vice President, Franchise Finance for G.E. Canada Equipment Financing G.P./G.E. Canada SCNC ("**GE Capital**", and together with General Electric Canada Real Estate Finance Inc., "**GE**"). I have principal carriage of the Lamco Investments Ltd. account (the "**Lamco Account**") and as such have personal knowledge of the matters deposed herein, save and except where stated to be based on information and belief, in which case I do verily believe that information to be true.
2. This Affidavit is made in support of a motion for (a) a declaration terminating the Notice of Intention to Make a Proposal proceedings (the "**Proposal Proceedings**") initiated by Lamco on August 27, 2010, and (b) an Order appointing Shimmerman Penn Title LLP ("**SPT**") as the receiver of all of the assets, property and undertaking (the "**Property**") of Lamco pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") and section 101 of the *Courts of Justice Act*.

- 2 -

3. In preparation of this Affidavit I have reviewed the Motion Record of Lamco dated September 21, 2010, the Affidavit of Altaf Mohamed sworn September 21, 2010 (the "**Mohamed Affidavit**"), and the Responding Motion Record of Soberman Inc. ("**Soberman**" or the "**Proposal Trustee**") and the Proposal Trustee's Report to Court dated September 21, 2010 (the "**First Report**").

I. BACKGROUND

4. Lamco Investments Ltd. ("**Lamco**") is an Ontario Corporation with its registered office address as 817 Exeter Road, London, Ontario, N6E 1W1. Attached hereto and marked as **Exhibit "A"** is a copy of a Corporation Profile Report dated September 20, 2010, for Lamco from the Ministry of Government Services.

5. Lamco carries on business as the operator of a Ramada Inn Franchise hotel from the two-story building located on the property bearing municipal address 817 Exeter Road, London, Ontario (the "**Hotel Property**"). The Hotel Property is part of a franchise network wherein Lamco owns the Hotel Property and hotel building situated thereon. The Hotel Property comprises approximately 5.8 acres, has approximately forty (40) employees, contains 124 customer rooms, several meeting rooms, together with a restaurant, bar, lounge and indoor swimming pool. Ms. Laila Jiwani is the President and sole registered Director of Lamco.

6. GE, the senior secured creditor of Lamco, is seeking the termination of the proposal proceedings and the appointment SPT as the receiver of Lamco because GE has lost all confidence in Lamco and Lamco's current financial circumstances seriously impair its future viability and negatively impact the value of GE's collateral, as is set out in more detail below.

II. GE DEBT AND SECURITY

7. GE is Lamco's largest creditor pursuant to a Loan Agreement dated February 24, 2005 (the "**Loan Agreement**"), under which GE advanced the principal amount of \$4,200,000 to Lamco (the "**Lamco Loan**"). A true copy of the Loan Agreement is attached hereto and marked as **Exhibit "B"**.

- 3 -

8. As security for the Lamco Loan, Lamco granted GE security in Lamco in the form of, *inter alia*:

- (a) a Mortgage/Charge of Land registered March 3, 2005 (the "**Lamco Charge/Mortgage**") in the principal amount of \$4,200,000 over the Property/Premises, a true copy of which is attached hereto as **Exhibit "C"**;
- (b) an Assignment of Rents registered March 3, 2005 (the "**Lamco Assignment of Rents**"), a true copy of which is attached hereto as **Exhibit "D"**;
- (c) an Assignment of Management and Services Agreements dated February 24, 2005 (the "**Lamco Assignment of Services**"), a true copy of which is attached as **Exhibit "E"**;
- (d) a General Security Agreement dated February 24, 2005 (the "**GSA**") creating in favour of GE a first ranking security charge on all of the assets of Lamco, a true copy of which is attached hereto as **Exhibit "F"**;
- (e) an unlimited guarantee dated February 24, 2005, executed by Mr. Mohmud Jiwani and his wife, Mrs. Laila Jiwani, secured, in turn, by the GSA in favour of GE creating a first ranking charge on all of the assets of Lamco (the "**Jiwani Guarantee**"), a copy of such Jiwani Guarantee being attached hereto as **Exhibit "G"**;

collectively, the "**GE Security**".

9. The Lamco Charge/Mortgage was registered against the Hotel Property on March 3, 2005. A true copy of the Parcel Register for the Hotel Property dated August 18, 2010, is attached hereto and marked as **Exhibit "H"**. Aside from GE, the Bank of Nova Scotia ("**BNS**") has registered a subordinate security interest in the Hotel Property and the Canada Revenue Agency (the "**CRA**") has registered a lien against the hotel Property. I am informed by GE's counsel that the Proposal Trustee has also registered a charge against the Hotel Property.

- 4 -

10. A Financing Statement in respect of the GSA was registered on March 3, 2005. A Personal Property Security Registry Search in respect of Lamco with a file currency date of September 20, 2010 is attached hereto and marked as **Exhibit "I"**.
11. Mr. Mohmud Jiwani, one of the guarantors of GE's indebtedness pursuant to the Jiwani Guarantee, disappeared over four (4) years ago. Mr. Jiwani's disappearance is the subject of an ongoing investigation being conducted by the Halton Regional Police according to a newspaper article dated July 12, 2010. Attached hereto and marked as **Exhibit "J"** is a true copy of the newspaper article dated July 12, 2010.
12. GE, BNS and the CRA are the only creditors who have registered financing statements against Lamco. BNS subordinated its security interest in the property to the GE Security which is reflected in the Postponement of Interest attached hereto as **Exhibit "K"** and further memorialized in a letter from BNS' solicitors dated February 25, 2005, which is attached hereto and marked as **Exhibit "L"**. According to BNS, as of August 9, 2010, Lamco is indebted to BNS in the amount of \$250,000 plus interest in the amount of \$462.33, as confirmed in the BNS letter dated August 9, 2010, which is attached hereto and marked as **Exhibit "M"**.
13. The Lamco Loan came due on April 1, 2010.
14. Lamco is in default of its obligations to GE under the GE Security. These defaults include, *inter alia*,
 - (a) Failure to make required principal and interest payments on the Lamco Loan; and
 - (b) Failure to pay or remit taxes, which has resulted in the CRA registering a lien against the Property in respect of amounts owing under the *Excise Tax Act* (Canada), as reflected on the Parcel Register dated September 20, 2010, a true copy of which is attached hereto and marked as **Exhibit "N"**.

- 5 -

III. GE FORBEARANCE

15. On May 31, 2010, GE agreed to enter into a Forbearance Agreement with Lamco (the **"Forbearance Agreement"**), a copy of which is attached hereto and marked as **Exhibit "O"**.
16. On July 1, 2010, and August 1, 2010, Lamco defaulted on its payments to GE as required by the Forbearance Agreement. Lamco continues to remain in default of its obligations to GE.
17. GE and Lamco did not enter into any further forbearance agreement or arrangements.

IV. DEMAND AND NOTICE OF INTENTION TO ENFORCE SECURITY

18. By letters dated August 19, 2010 (the **"Demand Letters"**), GE made demand for immediate repayment of the indebtedness owed by Lamco and Mr. And Mrs. Jiwani. Attached to the Demand Letters were Notices of Intention to Enforce Security pursuant to section 244 of the BIA (the **"244 Notices"**). Attached hereto as **Exhibit "P"** are copies of the Demand Letters and 244 Notices.
19. Lamco is currently indebted to GE in the approximate amount of \$3,713,881.46 as at August 19, 2010, plus interest and costs after such date (the **"Debt"**), in respect of the financing extended by GE to Lamco.

V. THE NOI FILING AND GE'S LOSS OF CONFIDENCE IN LAMCO

20. On August 27, 2010, Lamco issued a Notice of Intention to Make a Proposal (the **"NOI"**) pursuant to the BIA. Attached hereto and marked as **Exhibit "Q"** is a true copy of the NOI. Appended to the NOI are lists of Lamco's creditors. According to Lamco, its creditors are owed in the aggregate of approximately \$5,986,048.13 taking into account the \$1.3 Million shareholders loan as outlined in paragraph 5(h) of the First report. Accordingly, Lamco's indebtedness to GE represents more than 62% of Lamco's total debt.
21. Lamco failed to make a proposal within the initial 30-day period within which Lamco was permitted to make a proposal.

- 6 -

22. On September 24, 2010, the initial 30-day period within which Lamco was permitted to make a proposal was extended by Order of the Honourable Mr. Justice Little to the close of business on October 12, 2010. Attached hereto and marked as **Exhibit "R"** is a true copy of the Order of the Honourable Mr. Justice Little dated September 24, 2010.

23. GE opposes the extension of the Proposal Proceedings beyond October 12, 2010. GE has no confidence in Lamco's ability to put forward a viable or acceptable proposal and will, in any event, vote against any such proposal. For the reasons outlined, *inter alia*, in paragraphs 44 and 45 below, GE seeks a process by which the Hotel Property will be put through a Court-supervised sales process that will result in the greatest realization for all stakeholders.

24. The Mohamed Affidavit incorrectly states the position of GE and is misleading as to the nature and content of the ongoing discussions that GE has had with Lamco and its principals. The Mohamed Affidavit refers to a "dual track strategy" for the re-financing of Lamco and/or the disposition of Lamco assets and the Property. This dual strategy is doomed to failure as it has not produced any concrete results in over eight (8) months from when it was first implemented by Lamco. GE commenced extensive discussions with Lamco regarding the maturity of the Lamco Loan in February 2010. Since that time, there has been discussion of recapitalization. No recapitalization has occurred. GE has provided a significant amount of time for Lamco to explore the dual track strategy. However, there is nothing new or concrete on the horizon which will satisfy GE.

25. Lamco has not acted in good faith in maintaining transparency as to the nature of their operating difficulties, build up of liabilities, prospect of re-financing, or efforts to sell. For example, Lamco has:

- (a) failed to disclose its lending source;
- (b) failed to disclose the name of its lender;
- (c) failed to disclose the terms of its lender;
- (d) repeatedly advised GE that funding was imminent when it was not;

- 7 -

- (e) refused access to GE to determine independently the true financial situation of Lamco;
- (f) filed the NOI without notice to GE; and
- (g) failed to consult with GE on the direction of the Proposal Trustee.

26. For several months prior to the commencement of Lamco's Proposal Proceedings, Lamco assured GE that financing for the repayment of GE was in place and imminently closing. At no time did Lamco advise GE that such financing would fail. Further, at no time did Lamco provide credible explanations for why such financing was not closing. Instead, Lamco provided assurances that all documentation for such financing was complete and provided assurances that funds were in the process of transfer to effect the closing of such financing. No such closing has occurred.

27. Prior to the Proposal Proceedings, Lamco did not advise GE in any whatsoever (a) that its ability to repay its creditors was in question, or (b) that its intention was to sell the Hotel Property.

28. Despite GE's generous forbearance and cooperation in respect of Lamco's payment defaults, Lamco has not put forward substantial details regarding Lamco's intentions or Lamco's ability to put forward a proposal acceptable to GE. Further, Lamco has no binding arrangement for the sale of the Hotel Property. In view of Lamco's lack of progress and tendency toward making misrepresentations to GE and, in some part to the Proposal Trustee (as detailed below), any further delays associated with a potential marketing process led by Lamco and the Proposal Trustee would result in substantial prejudice to GE and Lamco's stakeholders.

29. The statements in paragraphs 21 and 22 of the Mohamed Affidavit are temporary and anecdotal. There is no substantial independent verification of these financial results. The financial results do not support the statement in Lamco's Notice of Motion that Lamco's business has been stabilized. In fact, the Mohamed Affidavit is silent as to whether or not the business has, in fact, been stabilized.

- 8 -

30. If in fact the proposed lender is Axess Development Group Inc. ("Axess"), who appears to manage offshore accounts from the Middle East, GE's experience with Axess is that they have never completed a transaction. GE has had several incidences with other clients and Axess wherein Axess required a large up front fee for a proposal which has stopped any funding from happening. Based on my experience with Axess, I do verily believe that Axess cannot reasonably be considered a realistic alternative to GE. I verily believe that Lamco has natural and reasonable alternatives to Axess including BDC, Meridian, Credit Union Central Ontario, or Roynat. Lamco has not provided any evidence that it has sought alternate sources of financing. GE can only conclude that Lamco's intentions are not to refinance based on its "dual track" strategy.

31. In respect to paragraph 14 of the Mohamed Affidavit, GE agreed to enter into the Forebearance Agreement to accommodate Lamco's required timing to close the loan with Axess on the condition that Lamco initiate alternate discussions with other re-financing sources, referred to above, in order to "hedge their bets" against Axess' ability and willingness to re-finance the Hotel Property. To my knowledge, no alternate discussions have occurred with other financing sources.

32. GE has no confidence in Lamco's management and in Lamco's ability to execute an acceptable proposal providing for the prompt repayment of GE. In respect to paragraph 15 of Mohamed's Affidavit, GE has had conversations with Lamco every second or third day regarding the status of progress, if any, of the transaction presumably with Axess during the forbearance period. GE did not extend the forbearance period because Lamco did not demonstrate any progress toward securing financing from Axess or any efforts whatsoever to source alternate financing.

33. Lamco did not disclose to GE the fact that the CRA issued a lien as evidenced at **Exhibit "N"**, thereby furthering Lamco's continued deception of GE as to the true state of Lamco's finances. Contrary to paragraph 24, no further negotiations have occurred with GE and no legitimate or interim steps have been taken to retire GE's Debt.

- 9 -

34. Contrary to paragraph 7 of the Mohamed Affidavit and sub-paragraph 5(g) of the First Report, I am informed by Mr. Harry Constantinides, a BNS Account Manager, that Lamco has drawn its revolving line of credit with BNS to its limit and BNS will not advance further funds.

35. Lamco appears to be relying on the unlikely, and questionable, projected cash flows of its business in order sustain operations and then refinance or sell the Hotel Property to repay GE, BNS, CRA and other creditors who have gone unpaid. No formal marketing of the Hotel Property has occurred and Lamco and its Proposal Trustee have to date not articulated a viable plan for doing so. Neither Lamco nor the Proposal Trustee has provided a restructuring plan or proposal for expense reduction to GE which contains sufficient evidence that the Hotel Property is being operated in an efficient manner in order to obtain a favourable value upon the disposition of the Hotel Property.

The Proposal Trustee's Report

36. Following a review of the First Report, I note that neither Lamco nor the Proposal Trustee have engaged the services of a reputable real estate broker nor have they commenced a formal marketing process in the thirty eight (38) days since the NOI has been filed.

37. The stabilization of the financial affairs that the Proposal Trustee refers to is questionable. The First Report presents one (1) month of data and four (4) months of projections. Neither an historical nor seasonal review of Lamco's business has been provided in order to substantiate future profitability. Notably, the projections show that expenses are actually increasing which is inconsistent with the Mohamed Affidavit at paragraph 21 which states that cost savings measures have been implemented. In addition, the Proposal Trustee's net cash projections of \$7,000 from the period December 2010 to January 2011 do not reflect a viable business. Instead, Lamco is projected to have a net cash shortfall in January 2011. In view of Lamco's substantial indebtedness to creditors, the financial projections predict continued prejudice to GE and other creditors.

- 10 -

38. As noted above, Lamco's revolving line of credit with BNS is at its limit and BNS will not advance further funds, which is contrary to both paragraph 7 of the Mohamed Affidavit and sub-paragraph 5(g) of the First Report. This inconsistency reflects the tendency of Lamco to mislead its creditors and now, the Proposal Trustee, to the detriment of GE and its other creditors.

39. In the event that GE is granted the relief requested, SPT will immediately retain the services of a reputable commercial real estate broker to facilitate the sale of the Hotel Property.

40. It is the intention of GE to sell the Hotel Property as a going concern, in order to ensure that jobs are not lost and the goodwill in the asset is not depreciated. The Proposal Trustee has not contacted GE with a view towards negotiating the sale of the Hotel Property or retiring the Debt owed to GE.

41. In view of the lack of financing, GE's loss of confidence in Lamco, the prejudice that GE has sustained and will continue to sustain if the proposal extension is granted, and the Proposal Trustee's apparent conflict of interest, GE's generosity is at an end. Accordingly, GE will not support any further extension of the time for Lamco to make a proposal.

42. Reputation is fundamental to the operation of a hotel. The continuation of the notice period without an actual restructuring proposal risks undermining the value of the Hotel Property as a going concern. Any further delay will further prejudice GE and Lamco's creditors. Therefore, there is a real urgency to market the Hotel Property for sale.

43. The continuation of the Proposal Proceedings can only work to the detriment of creditors and to the detriment of GE. GE, and Lamco's creditors as a whole, would be materially prejudiced if the proposal extension were granted.

44. GE has no confidence in Lamco or Lamco's management. Despite GE's cooperative approach, Lamco has failed to act, and is not acting, in good faith and with due diligence. GE will not accept a proposal made by Lamco. Accordingly, Lamco will not be able

- 11 -

to make a proposal before the expiration of the proposal period that will be accepted by Lamco's creditors.

45. In view of the lack of financing, the GE Security, the escalation in Lamco's expenses, the size and priority of GE's claim, Lamco's failure to forward a viable proposal, the complete loss of confidence by GE in Lamco and its management, GE's refusal to accept any proposal made by Lamco given the erosion of trust and credibility, there is no prospect that Lamco can make a viable proposal or that it can make a proposal acceptable to its creditors. If Lamco had intended to work with its creditors, including, in particular, GE, it should have acted with dispatch and with due diligence and provided in good faith, and in accordance with its contractual obligations, greater transparency and accurate information at a much earlier stage. Lamco failed to do so, despite GE's repeated requests and Lamco's obligation to deliver the requested information in a timely manner.

46. GE will seek to appoint SPT as the receiver immediately upon the expiry of the proposal period and proceed for the orderly sale of Lamco's business on a going concern to maximize recovery to all creditors with minimal disruption to the business.

VI. CONCLUSION

47. Lamco is insolvent and unable to sustain all of its obligations.

48. GE has provided Lamco with numerous opportunities to meet its obligations. GE is concerned, however, that immediate steps must be taken in order to further the sale of the Property in order to preserve the its value.

49. GE is seeking the termination of the Proposal Proceedings and the appointment of SPT as the receiver of all of the assets, property and undertaking of Lamco, including the Hotel Property. Should the appointment of SPT be granted, SPT will deal with the Property in an organized and efficient manner for the benefit of those with a real economic stake in the Property.

- 12 -

50. GE anticipates that the Hotel Property and all of Lamco's assets and property used by Lamco in connection with the operation of the Hotel Property will be operated under the supervision of SPT or its agent and marketed and sold by SPT *en bloc*.

51. The appointment of SPT as the receiver of the assets and property of Lamco, including the Hotel Property, is necessary to, *inter alia*: (a) commence and complete the marketing and sale of the Property/Premises; (b) operate the business as a going concern until a sale transaction for the sale Lamco's business can be finalized; and (c) conduct the distribution of any surplus proceeds from the sale of the Property.

52. GE anticipates, given the fact that no efforts have been undertaken to market the Hotel Property, SPT's primary role will be to determine what marketing is advisable and to expedite this marketing process. Once the appropriate marketing process has been approved and completed, SPT will return to this Honourable Court seeking the approval of the highest and best offer to purchase the Property.

53. For the reasons set out above, I believe that it is just and equitable and in the interests of Lamco and its stakeholders that SPT is appointed as the receiver in connection with Lamco.

54. SPT has consented to act as receiver if so appointed by this Honourable Court. A copy of SPT's consent to act as receiver will be provided to the Court at the return of GE's motion.

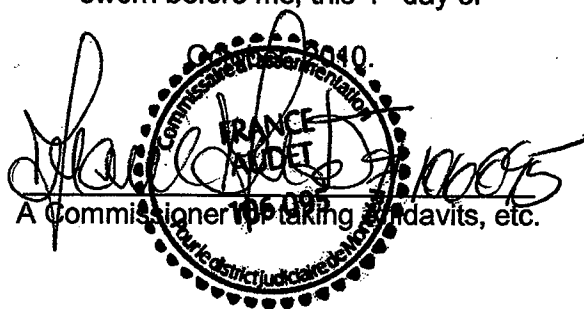
55. I swear this affidavit in support of GE's motion for, among other things, the appointment of SPT as receiver of Lamco and for no other or improper purpose.

SWORN before me at the City of Toronto, in
the Province of Ontario, on October 4, 2010

Commissioner for Taking Oaths

EDWARD KHEDIGUIAN

This is Exhibit "A" to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of




Edward Khediguian
Vice President, Franchise

Request ID: 012628383
 Transaction ID: 42352080
 Category ID: 1

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2010/09/20
 Time Report Produced: 12:10:59
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1287817	LAMCO INVESTMENTS LTD.	1993/04/16
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	CONTINUED IN ONTARIO	BR COLUMBIA
Registered Office Address		Date Amalgamated
RAMADA HOTEL LONDON 817 EXETER ROAD		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
5580 EXPLORER DRIVE		NOT APPLICABLE
		Continuation Date
		2007/11/14
Suite # 503		Transferred Out Date
MISSISSAUGA		Cancel/Inactive Date
ONTARIO		NOT APPLICABLE
CANADA L4W 4Y1		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	

Request ID: 012528383
Transaction ID: 42352080
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/09/20
Time Report Produced: 12:10:59
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1287817

Corporation Name

LAMCO INVESTMENTS LTD.

Corporate Name History

LAMCO INVESTMENTS LTD.

Effective Date

1998/03/30

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:
Name (Individual / Corporation)

LAILA

JIWANI

Address

5580 EXPLORER DRIVE

Suite #503
MISSISSAUGA
ONTARIO
CANADA L4W 4Y1

Date Began

NOT APPLICABLE

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 012528383
Transaction ID: 42352080
Category ID: UNE

Province of Ontario
Ministry of Government Services

Date Report Produced: 2010/09/20
Time Report Produced: 12:10:59
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1287817

LAMCO INVESTMENTS LTD.

Last Document Recorded

Act/Code Description

Form

Date

CIA ANNUAL RETURN 2008

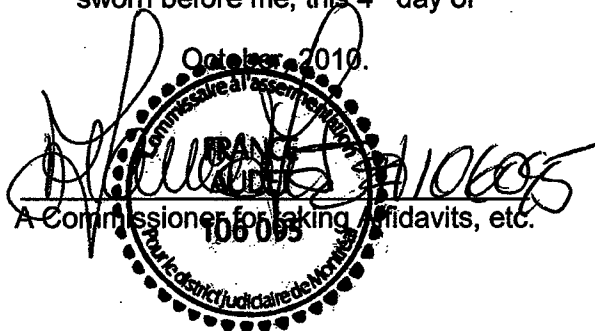
1C

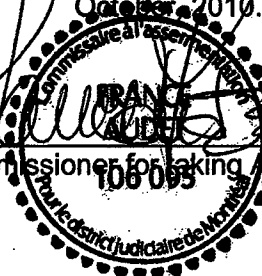
2009/01/24 (ELECTRONIC FILING)

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

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

This is **Exhibit "B"** to the
Affidavit of Edward Khediguan
sworn before me, this 4th day of

October, 2010.

A Commissioner for taking Affidavits, etc.
106 093




Edward Khediguan
Vice President, Franchise

LOAN AGREEMENT

THIS AGREEMENT dated as of February 24, 2005

BETWEEN: **LAMCO INVESTMENTS LTD.**, a Corporation,
having its head office at Toronto, Ontario

(the "Borrower")

AND: **GE CANADA EQUIPMENT FINANCING G.P. /**
FINANCEMENT D'ÉQUIPEMENT GE CANADA
S.E.N.C.;

(the "Lender")

MOHMUD JIWANI, LAILA JIWANI and 1400717
ONTARIO LIMITED

(collectively the "Guarantors")

WHEREAS the Borrower has requested that the Lender provide the Loan (as hereinafter defined) upon certain terms and conditions.

NOW THEREFORE, the parties hereto hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Agreement, the following words and phrases shall, unless there is something in the context inconsistent therewith, have the following meanings:

"Advance" means the advance by the Lender to the Borrower of any part of the Loan Amount which shall be deemed to have occurred when such advance amount has left the possession and control of the Lender or, if required by the Lender, placed in an escrow account and held by the Lender for and on behalf of the Borrower.

"Advance Date" means the Business Day on which the Advance or any part thereof is funded.

"Affiliate" means in respect of a Person, a Person or Persons that, directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with, such person, and for the purposes of this definition, "control" means the power to direct or cause the direction of the management and policies of a person whether through the ownership of voting securities or otherwise.

"Agreement" means this agreement, including the Schedules, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time.

- 2 -

"Applicable Law" means, in respect of any Person, property, transaction or event, all present or future applicable laws, by-laws, statutes, regulations, ordinances, treaties, orders, judgements and decrees and all applicable official directives, rules, guidelines, orders and policies of any Governmental Authorities, whether or not having the force of law.

"Assignment of Management and Services Agreement" means the assignment by the Borrower in favour of the Lender of the Borrower's interest in material contracts ("Material Documents") with respect to the ownership, operation and management of the Property and/or the Hotel Business.

"Assignment of Rents" means, a general assignment of rents and leases of the Property.

"Banker's Acceptance Rate" means the BA Annual rate of interest applicable to one-month Canadian Dollar banker's acceptances, as displayed in the Bank of Canada Weekly Financial Statistics published on the last Wednesday of the month preceding the date of determination.

"Basis Point" means one hundredth (1/100) of one per cent (1%) per annum.

"Borrower's Documents" means the documents listed in Schedule "B".

"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.

"Canadian Dollars" and the symbol "Cdn\$" each means lawful money of Canada.

"Cash Flow Pre" means, Borrower's net income, plus Management fee, plus interest expense, plus taxes, plus depreciation and amortization expense, plus rent expense, plus operating lease expense, plus or minus other non-cash adjustments to net income (if any), plus or minus non-recurring items, plus or minus changes in shareholders loans, less the greater of Actual Management fees or 4% of gross revenues from the Hotel Business and the Property, less a 4% (of gross revenues from the Hotel Business and the Property) reserve for replacement.

"Cash Flow Post" means, Borrower's net income, plus Management fee, plus interest expense, plus taxes, plus depreciation and amortization expense, plus rent expense, plus operating lease expense, plus or minus other non-cash adjustments to net income (if any), plus or minus non-recurring items, plus or minus changes in shareholders loans, less the greater of Actual Management fees or 4% of gross revenues from the Hotel Business and the Property, less a 4% (of gross revenues from the Hotel Business and the Property) reserve for replacement, less any rental/lease income, less full loan/lease payments, less increases in officer or shareholder loans receivable, less dividends or distributions not otherwise expensed on the Borrower's income statement.

"Commitment Letter" means, collectively, the proposal letter dated August 8, 2004 as amended by the commitment letter dated February 9, 2005 by the Lender in favour of

- 3 -

the Borrower, and any amendments thereto agreed to in writing by the Lender and the Borrower.

"Default" means an event or circumstance or omission which constitutes an Event of Default or which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

"Deposit" means the non-interest bearing deposit as defined in the Commitment Letter.

"Documents" means this Agreement, the Borrower's Documents, the Lender's Security, the Commitment Letter and all certificates, declarations, warranties, directions and other documents delivered or to be delivered to the Lender pursuant hereto or thereto and, when used in relation to any Person, the term "Documents" shall mean and refer to those Documents executed and delivered by such Person.

"Environmental Activity" means any activity, event or circumstance in respect of a Hazardous Substance, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, management, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation or its Release into the natural environment including movement through or in the air, soil, subsoil, surface water or groundwater.

"Environmental Questionnaire" means the standard environmental checklist and compliance certificate required by the Lender confirming certain environmental matters relating to the Property.

"Environmental Indemnity Agreement" means the environmental indemnity agreement between the Borrower, the Guarantors and the Lender and other environmental agreements, covenants, certificates or indemnities provided by the Borrower from time to time.

"Environmental Law" means any present or future federal, territorial, provincial, municipal and local statute, law, by-law, regulation, ordinance, directives, rule, judgement, administrative or judicial order, decree, direction, approval, permit, grant, licences, agreements, policy, guideline, code, standard, criteria or other governmental restrictions of Canada, its provinces, and of all applicable municipalities thereof relating to the environment, health and safety, health protection or any Environmental Activity.

"Event of Default" means any of the events set forth in Section 11.1 of this Agreement and "Event of Default" or similar words means the occurrence of an Event of Default.

"FCCR Ratio Pre" means Cash Flow Pre divided by the sum of the Borrower's aggregate debt service (i.e. principal and interest) plus operating lease payments plus rent expense paid in the applicable fiscal year.

"FCCR Ratio Post" means Cash Flow Post divided by the sum of the Borrower's aggregate debt service (i.e. principal and interest) plus operating lease payments plus rent expense paid in the applicable fiscal year.

- 4 -

"FF&E" means all furnishings, furniture, appliances, machinery, equipment, office equipment, computer equipment, wall vinyl, carpeting, bathroom fixtures, tile, paint, signs, china, glassware, artwork, silverware and similar items, linens, towels and all other personal property, other than Inventory, now or hereafter owned or used in connection with the Hotel and/or the Hotel Business.

"Final Advance" means the final Advance under the Loan.

"Fixed Interest Rate" has the meaning ascribed to that term in Section 3.3 hereof.

"Franchise Agreement" means a franchise agreement to be entered into between Ramada Franchise Canada Inc. as franchisor and the Borrower, as franchisee, or any other hotel franchise agreement in respect of the Property.

"Comfort Letter" means a comfort letter or tri party agreement among the Borrower, Lender and Ramada Franchise Canada Inc. or any successor franchisors under the Franchise Agreement to be delivered by the Borrower to the Lender on or prior to the Loan Closing Date.

"GAAP" means generally accepted accounting principles in effect from time to time in Canada applicable to the relevant Person, applied in a consistent manner from period to period.

"GOC" means a Government of Canada Bond.

"Government Approvals" means, with respect to any Person, all material licences, permits, consents, authorizations and approvals from any and all Governmental Authorities required for the conduct of that Person's business as presently conducted.

"Governmental Authority" means the government of Canada, its provinces, and all municipalities or other political subdivisions thereof, and any entity exercising executive, legislative, regulatory or administrative functions, and any corporation or other entity owned or controlled in any manner by any of the foregoing.

"Governmental Requirements" means all laws, ordinances, rules and regulations of any Governmental Authority applicable to the Borrower, the Guarantors, the Property or the Improvements.

"GSA" means the general security agreement to be provided by the Borrower to the Lender in form and substance acceptable to the Lender.

"Guarantee re Individual Guarantors" means the guarantee of the Borrower's obligations under the Lender's Security by Mohmud Jiwani and Laila Jiwani in favour of the Lender.

"Guarantee re Corporate Guarantor" means the guarantee of the Borrower's obligations under the Lender's Security by 1400707 Ontario Limited in favour of the Lender.

- 5 -

"Guarantors" means **MOHMUD JIWANI, LAILA JIWANI and 1400717 ONTARIO LIMITED** and their respective heirs, administrators, successors and permitted assigns.

"Hazardous Substance" means any pollutant, contaminant, dangerous, poisonous, noxious, radioactive, bioaccumulative, toxic or hazardous, chemical, substance, waste, material or similar term which are defined and regulated pursuant to Environmental Law. It is the intent that the term "Hazardous Substances" be construed in the broadest sense possible.

"Hotel" means the hotel located on the Property.

"Hotel Business" means the business of operating the Hotel.

"Improvements" means, collectively, all buildings and all other erections, structures, plants, improvements, equipment, machinery, apparatus, fittings, fixtures and other installations or accessories now or hereafter incorporated in or erected on the Property, and including all replacements thereof, improvements and additions thereto from time to time (excluding the movable property related to the operation of any business carried out therein or thereon).

"Interest Adjustment Date" means the 1st day of the month immediately following the initial Advance Date.

"Interest Rate" means the Fixed Interest Rate, being the interest rate applicable to the Loan.

"Inventory" means all inventories and supplies including food, liquor and other beverages, toiletries, cleaning supplies, paper supplies, computer paper and similar items now or hereafter owned and used in connection with the Hotel Business.

"Lender's Security" means the GSA, the Environmental Indemnity Agreement, the Guarantee re Individual Guarantors, the Guarantee re Corporate Guarantor, the right to terminate management agreement, the Assignment of Management and Services Agreement, the postponement of shareholder loans, a nondisturbance, acknowledgement, attornment, subordination and tenant-landlord estoppel agreement (if any), the Mortgage, the Assignment of Rents, and any and every deed of assignment, transfer, guarantee, pledge or other instrument which is supplementary or ancillary thereto.

"Lien" means any hypothec, mortgage, charge, lien, trust, encumbrance, priority claim, pledge, assignment, security interest, title retention, deposit or any other security arrangement of whatsoever nature or kind.

"Loan" means the loan to be made or arranged by the Lender to the Borrower in a principal amount not exceeding Cdn \$4,200,000.

"Loan Amortization" means the Loan will be amortized over a period of 20 years.

- 6 -

"Loan Amount" means, at any given time, the aggregate of the outstanding balance of the Loan, including the balloon payment, if any, and the unpaid accrued interest and all other monies which are by virtue of this Agreement owing by the Borrower to the Lender.

"Loan Closing Date" means the earliest to occur of (i) the initial Advance Date or (ii) such other date as may be mutually agreed upon by the Lender and the Borrower.

"Loan Fee" means the loan fee payable to the Lender by the Borrower in the amount of 0.4% of the total Loan Amount.

"Management" means the Person or Persons, if any, who is/are charged with managing the operation of the Property or any of the land comprising the Property.

"Material Adverse Change" means a material adverse change affecting the use, management, operations or marketability of the Property, or the Borrower's ability to repay the Loan Amount or otherwise perform its obligations under the Documents.

"Material Adverse Effect" means, when used with reference to any event or circumstance and any Person, an event or circumstance which has or may reasonably be expected to have a material adverse effect on (i) the business, operations, property or financial or other condition of the Borrower, the Guarantors if any, the Property, or any portion thereof (ii) the ability of the Borrower or the Guarantors if any to perform and discharge their respective obligations under this Agreement or any of the other Documents, or (iii) the Lender's ability to enforce its rights under the Documents.

"Maturity Date" means the date which is 5 years after the Interest Adjustment Date.

"Mortgage" means a first mortgage granted by the Borrower in favour of the lender which is to be registered on title to the Property.

"Office of Account" means, with respect to the Lender, its office at 2300 Meadowvale Road, Suite 111 Mississauga, ON L5N 5P9, or such other office in Canada as the Lender may designate.

"Permitted Liens" means the liens legally described in Schedule "C" hereto,

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

"Prepayment Date" means the date upon which the Borrower makes a prepayment of the entire Loan Amount as contemplated in Section 3.5.

"Property" means the lands legally described in Schedule "A" hereto, with each different location thereon constituting a "Property" and one or more being referred to collectively as the Property.

- 7 -

"Rate Lock Letter" means the written prior notice substantially in the form attached hereto as Schedule "D".

"Release" means, with respect to any Hazardous Substance, the method by which such Hazardous Substance comes to be in the environment at large and includes, without limitation, discharging, spraying, injection, abandonment, depositing, spilling, leaking, releasing, leaching, seeping, migrating, pumping, pouring, emission, emptying, escaping, throwing, dumping, placing and exhausting, and when used as a noun has a similar meaning.

"Subsidiary" of a Person means, when applicable, a company or corporation controlled by that Person within the meaning given to such expression in the definition of **"Affiliate"**.

"Tax(es)" includes all present and 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.

"Term" means the term of the Loan, being a 5 year term.

"Title Company" means First Canadian Title Insurance Company.

"Title Policy" means a lender's title insurance policy in form satisfactory to the Lender, in the amount of the Loan, insuring that the mortgage or hypothec granted by the Borrower constitutes a valid first ranking mortgage or hypothec charging the Property, subject only to the Permitted Liens, issued by the Title Company and shall include such endorsements as the Lender shall require.

"Transfer" shall (i) mean the conveyance, assignment, transfer, sale, lease, sublease, granting of an option with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any interest in (a) the Property or any part thereof or (b) any shares or any interest of the Borrower; and (ii) include the following: any agreement to do or complete any of the matters referred to in (i) above; any agreement, lease or instrument wherein all or substantially all of the Property is leased to one or more Persons pursuant to a single transaction or related transactions; the dissolution, liquidation, winding-up or termination of the Borrower; the issuance of new shares in any corporation comprising the Borrower; and the amalgamation, merger or consolidation of any corporation comprising the Borrower with any other Person.

"Written" or **"in writing"** includes printing, typewriting, or any electronic means of communication capable of being legibly reproduced at the point of reception.

1.2 Headings

The insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless otherwise specified, all references to Articles, Sections and Schedules are to Articles of, Sections of and Schedules to this Agreement. The words "hereto", "herein", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other provision of this Agreement.

1.4 Number and Gender

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Time of Day

Unless otherwise specified, any reference to a time of day means local time in the province in which the Property is located.

1.6 Conflict

If there is a conflict or inconsistency between the provisions of this Agreement and any other document including, without limitation, the Documents (save and except for the Commitment Letter and the Environmental Indemnity Agreement), 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 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 Commitment Letter and the Environmental Indemnity Agreement shall prevail.

1.7 Severability

Any provision of this Agreement which is illegal, invalid or unenforceable in any jurisdiction shall not affect the legality, validity or enforceability of the remaining provisions, and any such illegality, invalidity or unenforceability in any jurisdiction shall not affect the legality, validity or enforceability of such provision in any other jurisdiction.

1.8 Currency

Unless otherwise specified, all amounts are stated in Canadian Dollars.

1.9 Time

Time shall be of the essence in all provisions of this Agreement and the Borrower shall be en demeure by the mere lapse of time without notice, unless otherwise provided herein.

1.10 GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted and all financial information prepared in accordance with GAAP, consistently applied.

1.11 Entire Agreement

This Agreement includes all Schedules and all other documents contemplated hereby, and the Documents constitutes the entire agreement between the parties with respect to the subject matters contained herein and supersedes all prior negotiations, undertakings, representations and understanding, whether written or oral, except to the extent set forth in the Commitment Letter.

It is being understood and agreed by both parties that the terms and conditions of the Commitment Letter shall not merge with this Agreement and the Commitment Letter shall survive the execution and delivery of this Agreement, subject to Section 1.6 of this Agreement.

1.12 Schedules and Exhibits

The following Schedules are annexed to and form part of this Agreement and this Agreement shall be read and interpreted accordingly:

Schedule "A":	Legal Description of the Property
Schedule "B":	Borrower's Documents
Schedule "C":	Permitted Liens
Schedule "D":	Amortization Schedule
Schedule "E":	Location of Property and lease details
Schedule "F":	Special Conditions

**ARTICLE 2
LOAN****2.1 Non-Binding**

Subject to the provisions hereof, the Lender agrees, but shall not be bound unless and until all of the terms and conditions stipulated herein have been complied with, to lend and advance, or arrange to lend and advance, the Loan to the Borrower.

2.2 Deemed Representation

The representations and warranties set out in Article 7 and Article 8 shall remain in effect until payment and performance of all debts, liabilities and obligations referred to in this Agreement and until payment in full of the Loan Amount.

2.3 Promise to Pay

The Borrower acknowledges itself indebted and promises to pay the Loan Amount to the Lender in accordance with the terms hereof.

- 10 -

2.4 Use of Loan Amount

The Borrower shall apply the Loan Amount to pay off the existing mortgage loans which have an approximate current principal balance of \$2,366,000.00 and for general corporate purposes.

2.5 Non-Construction Use

The Loan shall not be used to finance the construction of any Improvements on the Property.

**ARTICLE 3
LOAN ADVANCE**

3.1 Loan Advance: The entire Loan must be drawn down in one Advance, subject to any Holdback Amounts.

3.2 Holdback Amounts: The Lender shall be entitled to deduct from any Advance, all holdback amounts (the "Holdback Amounts") required by builder's or construction lien or other legislation applicable to the Property to the extent not already held back by the Borrower or the Lender, and to hold the Holdback Amounts so deducted until such time as the Lender is satisfied that all applicable lien periods have expired and that no claim for lien has been made or filed with respect to work or material for the Property. The Borrower agrees to provide the Lender with such certificates of the Architect, certificates of the Borrower or opinions of the Borrower's counsel as the Lender, acting reasonably, deems necessary in order to permit the Lender to satisfy itself in this regard. The Lender agrees to act promptly and reasonably after receipt of such certificates and opinions as it may have requested to so satisfy itself and upon being so satisfied and provided that no Default has occurred and the Maturity Date has not occurred, any applicable Holdback Amounts shall be advanced to the Borrower. The Lender shall also be entitled to hold back any amounts required to complete the planned renovations to the Property and include such amounts in the Holdback Amounts.

3.3 Interest Rate

Advances shall bear interest from the Advance Date until the Maturity Date at an annual rate equivalent to the annual yield of the GOC with the maturity closest to 60 months from the Advance Date, as in effect on the Friday preceding the date of determination and published in the next Monday edition of the Globe and Mail plus 285 Basis Points (the "Fixed Interest Rate").

3.4 Payment Date and Period

Interest only shall be paid in advance for the month in which the Loan Amount is advanced followed by equal consecutive installments of blended principal and interest (as shown on the Amortization Schedule attached hereto as Schedule "D" or provided by the Lender from time to time) due and payable monthly, in arrears, commencing on the first day of the second month following the Advance Date and every succeeding month

- 11 -

thereafter, with the balance of the Loan Amount, if any, due on the Maturity Date. The amount of the monthly installments shall be determined by the Lender on the Advance Date based on the Interest Rate and the Loan Amortization. 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 set-off or counterclaim and without any deduction of any kind and payable by way of electronic fund transfer and shall be subject to applicable Taxes. On the Maturity Date the Borrower will repay the balance of the Loan Amount and any unpaid interest in full and all other amounts required to be paid hereunder or under the terms of the Lender's Security, if any.

The Lender may require the Borrower at any time that the Loan Amount is outstanding to pay additional monies to the Lender to enable the lender to pay all property taxes in relation to the Property which are in arrears.

3.5 Prepayment

Commencing 36 months after the Loan Closing Date, the Borrower may prepay all, but not less than all, of the Loan Amount at any time provided that the Borrower gives the Lender the notice referred to in this Article 3 and that the Borrower also pays all accrued interest, the prepayment premiums and all other charges and costs outstanding hereunder and under the Lender's Security at the time of such prepayment.

3.5.1 Prepayment Notice

No prepayment shall be made unless the Borrower delivers to the Lender a prior written notice specifying the Prepayment Date. The Prepayment Date shall not be less than 30 days after receipt by the Lender of the said prepayment notice.

3.5.2 Calculation of the Prepayment Premiums

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

a) the amount equal to three (3) months interest payable under the Loan; and

b) the greater of:

(i) \$0.00; or

(ii) the amount obtained by discounting the remaining payments and the balloon payment, if any, at the Current Yield as calculated by the Lender in its sole discretion less the amount obtained by discounting the remaining payments and the balloon payment, if any, at the Original Yield as calculated by the Lender in its sole discretion.

For the purposes of this Section:

- 12 -

"Current Yield" shall mean the current yield on the index applicable to loans for an equal Duration to the remaining Duration of the Loan including balloon payment, if any, at the time the prepayment option is exercised.

"Original Yield" shall mean the index yield used at the time the Interest Rate was fixed to determine the fixed loan payments.

"Duration" shall mean the average maturity of the remaining loan payments, which is measured by calculating the sensitivity of the outstanding principal of the Loans to a one (1) basis point change in the interest rate of the Loans.

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

3.5.3 Acceleration. The Lender may elect to accelerate the Loan Amount at any time after the Borrower's default, in which event the Borrower shall be obligated to pay all amounts payable under this Section 3.5 as if the Borrower had made a prepayment of the entire remaining Loan Amount.

3.5.4 Expropriation. No additional amounts shall be payable pursuant to this Section 3.5 with respect to expropriation awards or insurance proceeds from fire or other casualty which the Lender applies to prepayment, nor with respect to Borrower's prepayment of the Loan Amount in full during the last three (3) months of its term unless an Event of Default has occurred and remains uncured.

3.6 Determination Final

With respect to all matters referred to in this Article 3, the determination by the Lender shall, in the absence of manifest error, prima facie, be final and binding on the Borrower.

3.7 Evidence of Indebtedness

The Lender shall open and maintain at the Office of Account, accounts and records evidencing the liability of the Borrower to the Lender with respect to the Loan Amount and all payments on account thereof. Such accounts and records will constitute, in the absence of manifest error, prima facie, conclusive evidence of the Loan Amount from time to time, the date the Advance was made and the amounts the Borrower has paid from time to time on account of the Loan Amount.

3.8 Full Recourse

Notwithstanding any other provision of the Lender's Security, the Borrower and Guarantors acknowledge and agree that the Lender shall have full recourse to the Borrower and Guarantors and all of the Property for the performance or satisfaction of any and all obligations and liabilities of the Borrower and the Guarantors hereunder or under the Lender's Security. The Guarantee re Corporate Guarantor shall be unlimited in amount. The Guarantee re Individual Guarantors shall initially be unlimited in amount (except as provided herein). If and when the Property achieves a cumulative 1.40 debt

- 13 -

service coverage ratio for a full 12 month period measured collectively and not by individual month, the Guarantee re Individual Guarantors shall be amended such that the liability of the individual Guarantors will be limited to the maximum amount of 66.67% of the Loan Amount. If and when the Property achieves a cumulative 1.40 debt service coverage ratio for a full 24 month period, with each 12 month period measured collectively and not by individual month, the Guarantee re Individual Guarantors shall be amended such that the liability of the individual Guarantors will be limited to the maximum amount of 33.33% of the Loan Amount. If and when the Property achieves a cumulative 1.40 debt service coverage ratio for a full 36 month period, with each 12 month period measured collectively and not by individual month, the Guarantee re Individual Guarantors shall be automatically released and discharged by the Lender and the Lender agrees to execute such releases, discharges and further assurances as may be reasonably requested by the individual Guarantors in such regard at the expense of the Borrower.

ARTICLE 4 INTEREST, FEES AND EXPENSES

4.1 Interest on Overdue Amounts

Upon a default in the payment of principal, interest or other amount due under this Agreement, the Borrower shall pay interest on such overdue amount both before and after judgement, and for so long as such amount remains overdue at a rate per annum equivalent to the lesser of (i) 12%; and (ii) the highest rate permitted by law, for so long as such amount remains overdue. Such interest shall be payable upon demand made by the Lender and shall be compounded semi-annually not in advance

4.2 Criminal Rate of Interest

Notwithstanding anything herein or in the Documents to the contrary in no event shall the combination of interest, costs, and fees payable herein shall exceed the greater of (i) an effective annual rate of interest of 59% of the Loan Amount or (ii) 1% less than the effective annual rate of interest which is prohibited under Section 347 of the *Criminal Code* (Canada), as amended from time to time (the "**Maximum Amount**"), and if any payment, collection or demand pursuant to this Agreement, the Commitment Letter or the Documents is determined to exceed the Maximum Amount, then such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Lender and the amount of such payment or collection will, at the option of the Lender, be refunded to the Borrower or be applied to the Loan Amount (whether or not due and payable), and not to the payment of interest as defined in Section 347 of the *Criminal Code* (Canada), as amended from time to time. For the purposes of each of this Agreement, the Commitment Letter and the Documents, the effective annual rate of interest will be determined in accordance with general accepted actuarial practices and principles over the entire Term of the Loan on the basis of annual compounding of the lawfully permitted rate of interest. In the event of a dispute, a certificate of an actuary appointed by the Lender will be conclusive for the purposes of such determination.

- 14 -

4.3 Lender's Solicitors' Fees

The Borrower acknowledges and agrees that the Lender's Counsel's fees and disbursements are the sole responsibility of the Borrower and these fees and disbursements will be deducted from the Advance and/or the Deposit

4.4 Miscellaneous Fees

The Borrower shall pay all fees and costs for appraisals, insurance consultants, construction consultants, credit reporting and responding to demands of any government or any agency or department thereof, and all other out of pocket costs associated with the Loan, including (without limitation) a site inspection/postage fee, the cost of any environmental audits, the fees of the consulting engineer, all loan, escrow, recording and transfer fees and taxes, title charges, title insurance premiums, survey costs, realty tax service fees incurred by the Lender and these fees and disbursements will be deducted from the proceeds of the Loan and/or the Deposit if unpaid at the time of the Advance. 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 and all costs of the enforcement of any provisions hereof which exceed the amount remitted as deposit by the Borrower under the Commitment Letter.

4.5 Fees – General

All fees collected by the Lender from the Borrower including, without limitation, the Loan Fee, shall be the Lender's property as consideration for the time, effort and expense incurred by it in the review of documents and financial statements, and the Borrower acknowledges and agrees that the determination of these costs is not feasible and that the fees set out in this Agreement represent a reasonable estimate of such costs.

4.6 Interest on Fees

Any amounts which become payable to the Lender under the Lender's Security and which are not paid when due shall accrue interest and be payable from the due date at the rate and manner stipulated for the Advance, if no other interest rate is expressed for such amounts.

4.7 Indemnity**4.7.1 General.**

The Borrower shall indemnify the Lender against any and all losses, expenses, liabilities, claims, demands, actions and causes of action which the Lender may sustain or incur as a consequence of (i) any default by the Borrower under this Agreement, (ii) any misrepresentation by the Borrower contained in any writing instrument delivered to the Lender in connection with this Agreement, or (iii) any material failure by the Borrower to comply with any Applicable Law, including, without limitation, any Environmental Laws.

4.7.2 Telephone Instructions.

- 15 -

The Borrower shall indemnify the Lender for any loss or expense suffered or incurred by the Lender as a consequence of the Lender acting upon instructions given or agreements made over the telephone or by electronic transmission of any type with Persons reasonably believed by the Lender to have been acting on the Borrower's behalf and/or who have been identified in writing by the Borrower as Persons authorized to give such instructions.

4.7.3 Certificate.

A certificate of the Lender setting out the basis for the determination of the amount necessary to reimburse or indemnify the Lender pursuant to Sections 4.7.1, 4.7.2 and 13.4 shall be, *prima facie*, conclusive evidence of the correctness of such determination, absent manifest error.

4.8 Loan Fee

In consideration of the Lender establishing the Loan, the Borrower has agreed to pay to the Lender a non-refundable Loan Fee in the amount of 0.4% of the Loan Amount (the "Loan Fee"). The Loan Fee will be deducted on the initial Advance Date from the proceeds of the Advance.

ARTICLE 5 PAYMENTS

5.1 Payments Generally

Each payment to the Lender under this Agreement shall be paid at the Office of Account in Canadian Dollars, except as otherwise herein required or contemplated. Each such payment shall be made for value at or before noon on the day such payment is due, provided that, if any such day is not a Business Day, such payment shall be deemed for all purposes of this Agreement to be due on the next Business Day following such day (and any such extension shall be taken into account for purposes of the computation of interest and fees payable under this Agreement). The Borrower shall execute and deliver to the Lender from time to time upon request, pre-authorized payment orders in such form as Lender may reasonably request. The Lender is hereby authorized to deliver such orders to the financial institution named therein. The Borrower hereby appoints the Lender as its agent to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. If payments are being made by pre-authorized payment plan, funds received after noon shall not be deemed to have been received the following Business Day unless the funds were not available by noon due to the Borrower's default.

5.2 No Deduction or Withholding

All payments to be made by the Borrower under or in connection with this Agreement are to be made without deduction or withholding for or on account of any Tax. If any Tax is deducted or withheld from any payment to the Lender, the Borrower shall promptly remit to the Lender, in the currency in which such payment is to be made, the equivalent of the amount so deducted or withheld together with relevant receipts. If the Borrower is prevented by operation of law or otherwise from making, causing to be made or remitting

- 16 -

such payment, the fee or interest payable under this Agreement shall be increased to such rates as are necessary to rate and remit to the Lender the fee or interest at the rates specified in this Agreement after provision for payment of such Tax. The Borrower shall from time to time at the request of the Lender execute and deliver any and all further instruments necessary or advisable to give full force and effect to such increase in the rates of fees or interest as are necessary to yield to the Lender fees or interest at the specified rates. The Borrower shall also indemnify the Lender in respect of any claim or loss which it may suffer as a result of the delay or failure of the Borrower to make any such payment including, without limitation, penalties relating thereto or interest thereon. Any monies received by the Lender from a third party on account of any such deduction or withholding after the Borrower has complied with this Section 5.2 shall be promptly paid by the Lender to the Borrower.

5.3 No Compensation or Set-Off

All payments to be made by the Borrower shall be made without compensation, set-off or counterclaim and without any deduction of any kind.

5.4 Application of Payments Before Exercise of Rights

All payments made by or on behalf of the Borrower under this Agreement before the exercise of any rights arising under Section 11.2 shall be applied in each instance in the following order:

- 5.4.1 firstly, in payment of any amounts due and payable as and by way of recoverable expenses hereunder;
- 5.4.2 secondly, in payment of any fees, interest or default interest then due and payable on or in respect of the Loan Amount;
- 5.4.3 thirdly, in repayment of any principal amounts outstanding on account of the Loan Amount; and
- 5.4.4 fourthly, in payment of any other amounts then due and payable by the Borrower hereunder.

5.5 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 under Section 11.2 shall be applied in each instance in the following order, unless the Lender otherwise determines in its sole and absolute discretion:

- 5.5.1 firstly, in payment of the reasonable costs and expenses of any realization, including, without limitation, the out-of-pocket expenses of the Lender and the reasonable fees and out-of-pocket expenses of counsel employed 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

- 17 -

with the administration and enforcement of the Documents, to the extent that such funds, costs and expenses shall not have been reimbursed to the Lender;

- 5.5.2 secondly, in payment of any unpaid fees, interest or default interest due hereunder to and including the date of such application;
- 5.5.3 thirdly, in payment of principal and then to the payment of any other monies (other than on account of interest) outstanding under this Agreement and under the Lender's Security, and then to the payment of accrued and unpaid interest thereunder to and including, without limitation, the date of such application; and
- 5.5.4 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.

ARTICLE 6 SECURITY

6.1 Execution of Lender's Security

Contemporaneously with the execution and delivery of this Agreement, the Borrower shall execute and deliver the Lender's Security to the Lender as general and continuing security for the due payment of the Loan Amount and the performance by the Borrower of its obligations hereunder.

6.2 Borrower's Acknowledgement

The Borrower acknowledges that the Lender's Security stands as security for all the indebtedness and all the liability of the Borrower hereunder and any other indebtedness and liability hereto before or hereafter of the Borrower to the Lender, and shall be deemed to be a continuing security which shall not be released or discharged in whole or in part until satisfaction in full of all such liability and indebtedness, and shall be a valid first Lien on the Property, subject only to the Permitted Liens.

The Borrower also acknowledges that General Electric Canada Real Estate Finance Inc. will hold the Mortgage as nominee for the Lender and that the Mortgage is given as security for all amounts due to the Lender under this Agreement and that any default under this Agreement shall be a default under the Mortgage, and any default under the Mortgage shall be a default under this Agreement. The Lender shall be entitled to all of the rights and benefits under any documents or instruments entered into by or in favour of any nominee on behalf of the Lender to the same extent as if the Lender entered into such documents or instruments directly.

6.3 Form of Lender's Security

Each document from time to time comprising the Lender's Security shall be in form and content satisfactory to the Lender and the Lender's Counsel, each acting reasonably. All covenants, agreements, terms and conditions contained in the Lender's Security shall be

- 18 -

deemed to be incorporated in and form part of this Agreement to the same extent as if the same had been incorporated herein fully and verbatim.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties

The Borrower represents and warrants to the Lender, as representations and warranties that are true in every particular as at the date hereof and each Advance Date as if such representations and warranties had been made by the Borrower on such day, that, irrespective of any independent investigations the Lender may make:

- 7.1.1** the Borrower will have, at the time of the Advance, good and marketable registered title to all property to be subjected to a mortgage, charge, hypothec or Liens in favour of the Lender, free and clear of any Liens, other than Permitted Liens. The Borrower shall not allow any Liens to be registered against the Property, save and except for Permitted Liens;
- 7.1.2** the execution and delivery of the Documents, the borrowing by the Borrower of the money representing the Loan and the performance by the Borrower of all of its covenants, agreements and obligations made and contained in the Documents has been duly authorized by all necessary actions. All transactions contemplated herein and in the Documents have been and will be duly authorized by all necessary action, are not and will not conflict with the constating documents or by-laws of the Borrower or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its property and assets are or may become bound;
- 7.1.3** other than as described in writing by the Borrower to the Lender, there are no actions, suits, proceedings or claims pending or threatened against or affecting the Borrower or the Property which, if adversely determined, would have a Material Adverse Effect;
- 7.1.4** there is no law, decree, regulation of similar enactment, provision of any instrument, agreement or other obligation by which the Borrower or any of its property, assets or business is bound and there is no judgement, injunction or other order or award of any judicial, administrative, Governmental Authority or other authority or arbitrator which is or will be contravened by the execution and delivery of the Documents or which will be contravened by the performance or observance of any of the obligations to be incurred by the Borrower, in or pursuant to the Documents;
- 7.1.5** the Property is in good condition, repair and appearance, ordinary wear and tear excepted. All heating, air conditioning, electrical, plumbing and other major building systems within the Property are in good operating condition and repair. The Property complies with all Applicable Laws and the present use and location of the Improvements thereon are legal conforming or legal non-conforming uses under all Applicable Laws. No claims or notices have been given or received by the Borrower alleging or relating to any non-compliance by

- 19 -

the Property with any Applicable Laws and the Borrower shall promptly deliver to the Lender any such claim or notice given or received by the Borrower after the Advance Date. All services and utilities (including storm and sanitary sewers, water, hydro, telephone and gas services) necessary for the use and operation of the Property are located in the public highway(s) or road abutting the Property (or within easements disclosed to and approved by the Lender in writing prior to the Advance) and are connected and available to the Property. The Property has unrestricted rights of public access to and from public highway(s) or road abutting the Property (completed, dedicated and fully accepted for public use by all Governmental Authorities) at all existing access points which access permits the full utilization of the Property for its present uses without further conditions or cost to the Borrower. The Borrower is not aware of any proposed changes affecting such access or public highway(s) or road;

- 7.1.6** the Borrower has rights sufficient for it to use all the intellectual property in patents, patent applications, trade-marks, trade-mark applications, trade names, service marks, copyrights, industrial designs, technology and other similar intellectual property rights (collectively, the "Intellectual Property") reasonably necessary for the conduct of the Hotel Business;
- 7.1.7** except as disclosed to the Lender, to the best of its knowledge the FF&E is in good operating condition and in a state of good repair and maintenance having regard to the age and use thereof (normal wear and tear excepted);
- 7.1.8** to the best of the knowledge of the Borrower, the Inventory is and will be merchantable as at the Advance Date and fit for the specific purpose for which it is used at levels sufficient for the continuation of the Hotel Business in the ordinary course;
- 7.1.9** the Borrower is a corporation created and organized pursuant to the laws of Canada or one of its provinces and is legally existing and in good standing pursuant to the said laws, and is duly qualified to do business and to hold real and personal property in the province in which the Property is located.
- 7.1.10** each of the Documents to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower and each is enforceable against it in accordance with its terms (except as such enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors' rights and the judgement exercisable by the courts in granting orders of specific performance and other equitable remedies);
- 7.1.11** all financial information and other information provided to the Lender in connection with the Loan and this Agreement is true and accurate.

7.2 Survival of Representations and Warranties

All representations, warranties, covenants and agreements made herein and in any certificate or other document delivered by or on behalf of the Borrower, are material and shall conclusively be deemed to have been relied upon by the Lender notwithstanding

- 20 -

any prior or subsequent investigation by the Lender, and shall survive the execution and delivery of the Documents and the Advance and the fulfilment of all other transactions and deliveries contemplated hereunder, and shall continue in full force and effect so long as the Loan Amount remains outstanding and unpaid (save and except for the corporate certificate of an officer of the Borrower) and all statements contained in any Document delivered to the Lender under or pursuant to the Documents, or in connection with any of the transactions contemplated thereby, shall be deemed to be representations and warranties by the party delivering the same or on whose behalf such Document is delivered.

ARTICLE 8 ENVIRONMENTAL MATTERS

8.1 Representations and Warranties

The Borrower represents and warrants to the Lender, all of which shall survive the execution and delivery of this Agreement, as follows:

8.1.1 Compliance.

To the best knowledge of the Borrower, other than as has been disclosed to the Lender in writing, the Property and the property, assets, activities and operations of the Borrower and those of any present or prior owner, lessee, licensee, operator or other occupant thereof, comply in all material respects with all Environmental Laws and with any authorization, permit, grant, licence, consent, right, privilege, registration, filing, commitment, order, approval, judgement, direction, ordinance or decree issued or granted by law or by any Governmental Authority and are not subject to any judicial, governmental, regulatory or other investigations, proceedings, orders, inquiries or notices. To the best knowledge of the Borrower, the Borrower, and any present or prior owner, lessee, licensee or occupant or any Person having the charge, management or control of the Property or any part thereof, has filed any notice or report under any Environmental Law with any Governmental Authority.

8.1.2 Presence of Hazardous Substances.

To the best knowledge of the Borrower, other than as has been disclosed to the Lender in writing, there neither is nor has been, any Environmental Activity at, upon, under, over, within or with respect to the Property and that no urea formaldehyde foam, asbestos, PCBs, radioactive materials or substances determined to be injurious to human life or health have been used or will be used in the construction or any Improvements on the Property or found in the soil of the Property.

8.1.3 Liability.

To the best knowledge of the Borrower, other than as has been disclosed to the Lender in writing, neither the Borrower nor any present or prior owner, lessee, licensee or occupant of the Property or any part thereof has been, or is, involved in any operations at, or with respect to the Property which could lead

- 21 -

to the imposition of liability on the Borrower or other Person who has or will have the charge, management or control of the Property or the creation of a Lien thereon under any Environmental Law.

8.1.4 Environmental Consultants.

8.1.4.1 Lender May Retain.

The Lender, or any Person on the Lender's behalf, may upon reasonable notice to the Borrower, employ lawyers, engineers, scientists, consultants or Persons of the Lender's own choice for the purpose of advising the Lender in respect of environmental matters relating to the Borrower or the Property. In the event of any breach of covenant by the Borrower or where any inquiry or investigation has been initiated by any Governmental Authority in connection with any Environmental Law, any engineer, scientist or consultant engaged by the Lender or someone on the Lender's behalf for such purpose, may enter on to the Property upon reasonable notice to the Borrower and at a time which does not unduly interfere with the Borrower's operations, for the purpose of any inquiry and may make any necessary excavation or bore holes and take samples of any material or substance, and record or copy any information by any method. The Borrower consents to any inquiries by the Lender or any lawyers, engineers, scientists or consultants engaged on behalf of any of them under any privacy or freedom of access or freedom of information legislation and agree to execute such further consents or documents as may be necessary to give effect to this Section 8.1.4. All such documents, reports, or information shall be made available to the Borrower within a reasonable time after their completion.

8.1.4.2 Fees.

If the Lender, or any Person on the Lender's behalf, retains the services of any lawyer, engineer, scientist, consultant or Person in connection with the subject of Section 8.1.4.1, the Borrower shall pay the reasonable costs and fees thereby incurred.

8.1.4.3 Interest.

If the Lender incurs any obligations, costs or expenses under Section 8.1.4.1 or in respect of any Environmental Activity, the Borrower shall pay the same to the Lender immediately on demand, and if such payment is not received within 10 days, such amount will be added to the Loan Amount and the Borrower will pay interest thereon at the Interest Rate.

ARTICLE 9 CONDITIONS PRECEDENT

9.1 Conditions Precedent

In conjunction with the conditions precedent outlined in the Commitment Letter, the Lender shall not be obliged to make any Advance hereunder unless it has received, in form and substance satisfactory to the Lender, each of the following:

- 9.1.1 Loan Documents. fully executed original copies of the Borrower's Documents and the Lender's Security, which shall have been duly registered and rendered opposable as required;
- 9.1.2 Executed Copies. the Lender shall have received an executed copy of all the Documents, as well as a copy of all other agreements and corporate documents pertaining to the transactions contemplated in the Documents, including all necessary opinions from Borrower's counsel;
- 9.1.3 Appraisals and Reports. appraisals (which shall include a cost analysis, market comparables rates and an analysis, a market overview and income analysis), engineering reports, environmental assessments, an on-site inspection report by a representative of the Lender and the Environmental Questionnaire;
- 9.1.4 Compliance with laws. proof of compliance with any Applicable Law, including particularly copy of unconditional and permanent certificates of occupancy, evidence that all utilities necessary for the full use and enjoyment of the Property are available to the Property and that water and sanitary sewer systems are provided to the Property and maintained by Governmental Authorities or by applicable public utilities, and of any licensing, zoning or parking requirements;
- 9.1.5 Certificate and Evidence. copy of the unconditional, permanent certificate(s) of occupancy and evidence that (i) all utilities necessary for the full use and enjoyment of the Property are available to the Property, and (ii) water and sanitary sewer systems are provided to the Property and maintained by governmental authorities or by applicable public utilities;
- 9.1.6 Certificate of location. an original and recent certificate of location and survey plan of the Property
- 9.1.7 Opinions. opinions from the Borrower's and Guarantors' solicitor ("**Opinion of Borrower's Counsel**") confirming due incorporation and constitution, and the due authorization and execution of the Borrower's Documents and the Lender's Security;
- 9.1.8 Title opinions. copy of any available title opinions and reports regarding the Property and opinions or Index of Immovable as requested by the Lender in respect of the Property;
- 9.1.9 Title Insurance. the Title Policy;

- 23 -

- 9.1.10 Insurance. insurance certificate and policy for the Property naming the Lender as loss payee and additional insured, reviewed and approved by Lender's insurance consultants;
- 9.1.11 Representations and warranties. the representations and warranties contained in Section 7 shall be true on and as of the applicable Advance Date with the same effect as if such representations and warranties had been made on and as of the applicable Advance Date, and the Borrower shall have delivered to the Lender, if so requested by the Lender, a certificate of a senior officer of the Borrower to such effect;
- 9.1.12 Material Adverse Effect. there shall not have occurred in the opinion of the Lender, any event which (individually or with any other event) has had, or which has a reasonable possibility of having, a Material Adverse Effect;
- 9.1.13 Default. confirmation that there is no Default or Event of Default hereunder;
- 9.1.14 Waiver and Releases. the Borrower shall have delivered such releases and waivers and other items as may be required by the Title Company to issue the endorsement to cover the Advance with no title exceptions objectionable to Lender, and the Property shall be free and clear from all Liens, other than Permitted Liens;
- 9.1.15 Taxes. the Lender shall have received evidence satisfactory to the Lender that all Taxes levied, assessed or imposed upon the Property or any part thereof or interest therein or upon the Borrower on account thereof and due and payable on or before the Advance Date have been paid without subrogation;
- 9.1.16 Other documents. all other documents, certificates and declarations reasonably required by Lender's solicitors, including satisfactory pay-out letters (which shall include specific undertakings to discharge upon reception of balance of loan amounts) for all security held by prior lenders affecting the Property.
- 9.1.17 Survey. an original certificate of location and survey plan for the Property;
- 9.1.18 Special Conditions. the Special Conditions specified in Schedule "F" shall have been completed to the satisfaction of the Lender.

9.2 Conditions to Benefit of Lender

All conditions precedent to the obligation of the Lender to make the Advance hereunder are imposed hereby solely for the benefit of the Lender, and no other party may require satisfaction of any such condition precedent or be entitled to assume that the Lender will refuse to make the Advance in the absence of strict compliance with such conditions precedent. All requirements of this Agreement may be waived by the Lender, in whole or in part, at any time.

- 24 -

ARTICLE 10 COVENANTS

10.1 Affirmative Covenants of the Borrower

While any amount owing hereunder remains unpaid or the Borrower has any obligations hereunder, the Borrower covenants with the Lender, as follows:

10.1.1 Corporation Existence.

It shall do or cause to be done all things necessary to keep in full force and effect its existence and the corporate existence of its partners, and all rights, franchises, licences and qualifications to carry on its business or own its property and assets in each jurisdiction in which it carries on business or owns property or assets from time to time.

10.1.2 Insurance.

It shall maintain insurance on the Property, its property and assets and for the operation of its business, without limitation, as follows:

- 10.1.2.1 all risks property insurance, including coverage for the foundation of all Improvements, and fire and extended coverage for the full replacement value of all buildings, fixtures, appliances and equipment, in amounts acceptable to the Lender;
- 10.1.2.2 broad form boiler and machinery coverage in amounts acceptable to the Lender;
- 10.1.2.3 public liability and property damage insurance (including non-owned automobile coverage) for not less than Cdn\$5,000,000;
- 10.1.2.4 rental loss or business interruption insurance, as appropriate; and
- 10.1.2.5 all other insurance as required by the Lender, acting reasonably, in such amounts and against such risks and as may be more particularly set out in the Lender's Security.

The Borrower shall provide certified copies of all insurance policies to the Lender upon request, which policies shall be subject to the Lender's approval and shall include any endorsement the Lender may reasonably require. Such insurance policies shall include coverage satisfactory to the Lender against loss or damage to its inventory by fire and other hazards and business interruption insurance and shall provide for no co-insurance, include an endorsement whereby the insurers agree to give the Lender not less than 30 days notice before the policy lapses or is materially altered or cancelled and permit the Lender to cure any default which may exist under any such policy of insurance. The Lender shall be named as first loss payee or additional insured as its interest may appear in all of the Borrower's policies of insurance. All policies of insurance must be placed with an insurance company acceptable to

- 25 -

the Lender and have the standard IBC hypothecary or mortgage clause. The Lender shall employ the services of an insurance consultant chosen by it to review the said insurance policies and to determine the acceptability of the coverages and policies and to outline the changes required to meet the Lender's requirements. The consultant's fees shall be paid by the Borrower forthwith upon demand and the Borrower hereby irrevocably authorizes its insurance broker to release and provide all insurance information on a confidential basis to the Lender or the Lender's consultant.

10.1.3 Compliance with Laws, etc.

It shall comply with all Applicable Laws required for it to carry on its business or relating to the use, operation or possession of the Property.

10.1.4 Government Approvals.

It shall obtain (to the extent not in existence on the date hereof) and maintain (by the observance and performance of all obligations thereunder and conditions thereof) all Government Approvals required for it to carry on business.

10.1.5 Business.

It shall continue to conduct and operate a business substantially of the same nature as that engaged in by it on the date hereof and endeavor to conduct such business in a proper, efficient and business-like manner.

10.1.6 Payment.

It shall duly and punctually pay or cause to be paid all sums of money due and payable by it hereunder on the dates, at the places and in the manner set forth herein.

10.1.7 Notice of Litigation.

It shall (i) promptly give notice to the Lender of the occurrence of any litigation, proceeding or dispute affecting it if its result could have a Material Adverse Effect, and of the extent to which it is covered by insurance; and (ii) provide from time to time all reasonable information requested by the Lender concerning the status of any such litigation, proceeding or dispute.

10.1.8 Pay Claims and Taxes.

It shall promptly pay and discharge when due:

- 10.1.8.1** all Taxes charged or payable by it or upon, or in respect of, the Property, this Agreement and any payments or transaction contemplated hereunder; and

- 26 -

10.1.8.2 all obligations which may result in Liens (other than Permitted Liens) on its property and assets;

unless the relevant payment, Tax or obligation is being actively and diligently contested in good faith by appropriate proceedings and is adequately reserved against in its books. Furthermore, it is agreed that for such contestation to be permitted by the Lender, the Borrower shall deliver to the Lender proof of such contestation and shall immediately deposit with the Lender or with a Person approved in writing by the Lender an amount equal to 115% of the aggregate of such payment Taxes or obligations (said amount being subject to and charged by the charge of the Lender's Security).

10.1.9 Use of Loan Amount.

It shall use the Loan solely in the manner and for the purposes contemplated by this Agreement.

10.1.10 Access.

It shall permit the Lender or representatives thereof, to inspect any of its property and assets and make abstracts from and copies all of its books, accounts and records, as well as discuss its affairs with its auditors and the Management, if any, all at such reasonable times as such Person may desire upon giving prior reasonable notice to it.

10.1.11 Notice of Default.

It shall, upon obtaining knowledge thereof, provide prompt notice in writing to the Lender of any Default setting forth details of the Default and the action taken or to be taken by it, if any, to remedy such Default.

10.1.12 Professional 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. In the event that the Property is not so managed and operated, the Lender may after giving the Borrower 30 days prior written notice to so manage and operate the Property require the Borrower to use a manager chosen by the Lender. The Borrower will then employ and use such manager to manage and operate the Property. The Borrower shall pay the manager's remuneration and expenses failing which the manager's remuneration and expenses shall be added to the Loan Amount and accrue interest at the Interest Rate until repaid in full. As of the present date, **Alamo Management Inc.** is acceptable as manager to the Lender. The Lender will have no liability or responsibility whatsoever to any Person in connection with the appointment of such alternate management or with respect to the actions or omissions of such alternate management who shall in all cases be the agent of the Borrower.

10.1.13 Satisfaction of Obligations.

- 27 -

It shall and remain responsible for satisfying all its obligations under the Documents.

10.1.14 Performance of all Things.

It shall perform and do all such acts and things as are necessary to perfect and maintain the security constituted by the Documents and not be in Default.

10.1.15 Compliance with Withholding Obligations.

It shall pay and keep in good standing all withholding amounts required under the *Income Tax Act* (Canada) and the *Canada Pension Plan Act* (Canada) (and any similar provincial legislation), as amended from time to time, as well as any amounts owing under the *Excise Tax Act* (Canada), as amended from time to time, all employment insurance premiums and Québec Pension Plan Contributions, and at the Lender's request, provide to the Lender evidence that all filings required under the aforesaid legislation are current and that all payments required to be made have been made, and authorize Canada Customs and Revenue Agency or any other applicable authority to provide information to the Lender from time to time as to the status of the foregoing accounts.

10.1.16 Statement of Disclosure.

The Borrower has received all statements disclosure with respect to the Loan as may be required by Applicable Law. Notwithstanding the foregoing nothing in such statement of disclosure, if any, shall be deemed to amend or otherwise affect the Lender's Security of the obligations and liabilities of the Borrower thereunder.

10.1.17 Borrower's Certificates.

Within 15 days following a request by the Lender, from time to time, the Borrower shall provide the Lender with a statement certifying (i) that no defences to the payment of the Loan Amount exist, or if any, the particulars thereof; (ii) that the Lender's Security has not been amended, or if amended, the particulars thereof; and (iii) that to its knowledge, there is no existing Event of Default or any other event which, with the giving of notice or passage of time or both, would constitute an Event of Default, or if any Event of Default exists, the particulars thereof and any action being taken to remedy such Event of Default or other event.

10.1.18 Payment of Claims.

The Borrower shall promptly pay or cause to be paid when due all costs and expenses incurred in connection with the Property and the Borrower shall keep the Property free and clear of any Liens, other than Permitted Liens.

10.1.19 Maintenance.

- 28 -

The Borrower will at all times maintain the Property and Improvements in accordance with standards consistent with and customary to industry practice and in accordance with any mandatory Governmental Requirements. All such maintenance programs will be reviewed by, and must be satisfactory to the Lender, acting reasonably.

10.1.20 Consulting Engineer.

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 independent consulting engineer to review the plans and specifications and any changes thereto, and to inspect the Property and Improvements 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 and Improvements 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.

10.1.21 Cross Default

Any default under any covenant, security or agreement granted by the Borrower in favour of the Lender shall constitute default hereunder and permit the Lender to take any or all steps it may deem necessary or desirable under the Lender's Security.

10.1.22 Equipment, Maintenance, Use, Operation, Alterations, Upgrades, etc.

10.1.22.1 The Borrower shall at its own expense:

- (i) maintain the FF&E in good operating condition, repair and appearance, ordinary wear and tear only excepted;
- (ii) comply with all recommendations or requirements of the supplier regarding the FF&E so as to preserve all warranties; and
- (iii) at the Lender's request, acting reasonably, enter into a maintenance agreement for the FF&E for the full term of this Agreement with the supplier or a competent service and maintenance agent approved by the Lender.

10.1.22.2 The Borrower shall not, without the Lender's consent, not to be unreasonably withheld, make any alterations, additions, accessions or attachments to the FF&E. Such consent will only be granted if such changes:

- (i) do not materially decrease the value of the FF&E or limit, interfere with or frustrate its intended use;

- 29 -

- (ii) do not prejudice or adversely affect any warranties; and
- (iii) are free from, and do not subject any of the FF&E to, any Lien.

10.1.22.3 All replacement parts and components, alterations, additions, accessions and attachments to the FF&E shall automatically become subject to the security interests created hereby as soon as they are acquired by or on behalf of the Borrower.

10.1.22.4 The Borrower shall affix and keep affixed to the FF&E any labels supplied by the Lender identifying its security interests in the FF&E.

10.1.22.5 Except as otherwise expressly permitted hereunder or under the GSA or as otherwise agreed to by the Lender, the Borrower shall not sell, transfer, convey or part with possession of the FF&E nor remove any of same from the Property.

10.1.22.6 The Borrower covenants and agrees with the Lender that the FF&E is and will be used for commercial, industrial or business purposes only and not for personal, family, household or farming purposes.

10.1.23 Warranties, etc.

The Borrower covenants and agrees with the Lender that:

10.1.23.1 the Lender shall not be bound by or be deemed to have made or be liable for any representation, warranty or promise made by a supplier of FF&E or otherwise;

10.1.23.2 the Lender shall not be liable for any failure of any FF&E including any latent defect or alleged fundamental breach of this Agreement;

10.1.23.3 neither the Lender nor any of its employees, servants or agents has made and does not now make any representation or warranty whatsoever, express or implied, with respect to the FF&E or any intellectual or industrial property rights therein including without limitation, the design, specifications, condition, quality, merchantability or fitness for the Borrower's purposes; and

10.1.23.4 the Lender shall have no liability for any direct, indirect, punitive, exemplary, special or consequential damages or loss of profits, actual or anticipated, or for any damages based on strict or absolute tort or delictual liability or the Lender's or supplier's negligence. Nothing herein shall deprive the Borrower of its rights against supplier or any person other than the Lender. The Borrower shall make any claims with respect to FF&E directly against the supplier.

10.1.24 Corrections of Defects

The Borrower shall correct or cause to be corrected any material defect in the Property, and any material departure in the construction of the Renovations from the Plans, the requirements hereof, any requirements of any Governmental Authority, or any encroachment (other than existing Permitted Encumbrances) by any part of the Improvements or any other structure located

- 30 -

on the Property on any building line, easement, property line, lot line or restricted area.

10.1.25 Performance under Material Documents

The Borrower shall comply with, and perform its obligations under all Material Documents and the Franchise Agreement. The Borrower shall enter into the Franchise Agreement (which shall be in a form satisfactory to the Lender) by no later than August 31, 2004. The Borrower shall deliver a fully executed copy of the Franchise Agreement to the Lender by no later than August 31, 2004.

10.2 Accounting, Financial Statements and Other Information.

10.2.1 General.

The Borrower shall maintain a system of accounting established and administered in accordance with GAAP consistently applied and shall set aside on its books all proper reserves. The Borrower shall permit Persons designated by the Lender to examine its books and financial records and to discuss its affairs, finances and accounts, all at such reasonable times and as often as may reasonably be requested by the Lender. The Persons designated by the Lender pursuant to this Section 10.2.1 may include accountants or management consultants appointed by the Lender to examine all or any aspect of the operations of the Borrower, and the Borrower agrees to answer any inquiries which such Persons may have fully and fairly to the best of their respective abilities and to permit such Persons to make copies or take extracts of any such books and records. The Borrower further acknowledges that any such Person may prepare reports to the Lender concerning the financial position and business prospects of the Borrower. The Lender shall only be obliged to disclose the factual portion of such reports to the Borrower.

10.2.2 Reports.

The Borrower will furnish to the Lender, and will cause any of the Guarantors to furnish to the Lender on request, within 120 days after the close of its fiscal year (i) annual balance sheet and profit and loss statements prepared in accordance with GAAP and, if the Lender so requires, accompanied by the annual audit report 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 and reports that the Lender may from time to time reasonably request, including, if the Lender so requires, income tax returns of the Borrower and the Guarantors within 60 days after receipt from CCRA by the relevant party of the initial Notice of Assessment in respect of its annual income tax return for any particular year, and financial statements of any tenant designated by the Lender, and (iv) the Borrower will provide proof of payment of realty taxes for the Property satisfactory to the Lender on an annual basis.

10.2.3 Transfers.

- 31 -

No Transfer may occur without the Lender's prior written consent, which consent may be withheld in the Lender's sole discretion. Any approved Transfer shall be subject to the payment of a transfer fee of 0.4% of the Loan Amount at the time of such approved Transfer, in addition to all other costs and fees that may be provided hereunder.

10.2.4 Subordinate Liens.

The Borrower shall not grant, or tolerate the existence of, any Lien on the Property other than the Lender's Security and except as expressly permitted by the Commitment Letter. The Borrower shall not permit or tolerate any lien granted by a tenant on leasehold improvements owned by said tenant without the prior written consent of the Lender, which shall not be withheld or delayed unreasonably.

10.2.5 Assignment.

The Borrower shall not assign any rights hereunder without the prior written consent of the Lender. With respect to assignment of any rights hereunder, the Lender may withhold its consent in its sole and unfettered discretion. Any change in the ownership interest of the Borrower prior to the disbursement of the Loan shall be considered as an assignment. No action aforesaid by the Borrower shall relieve the Borrower of any of its obligations hereunder.

The Borrower shall not sell, lease or otherwise assign any property charged pursuant to the Lender's Security, except for the sale of obsolete or dilapidated equipment being replaced by the Borrower.

10.2.6 Amalgamation.

Without the prior written consent of the Lender, the Borrower shall not dissolve or otherwise change its corporate existence in any way whatsoever, 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.

10.2.7 Additional Default Rights and Taxes.

All Taxes for the Property are to be paid directly by the Borrower or any lessee, under any lease relating to the Property, or directly to the relevant municipality and school boards, as applicable, promptly when due and receipted property tax bills or other reasonable evidence of payment of taxes are to be submitted annually to the Lender by January 31 of each calendar year for the previous year. The Lender reserves the option at any time to require that monthly payments be made to it on account of the said Taxes. Upon an Event of Default and only for so long as it exists, and at the Lender's sole option at any time thereafter, the Borrower shall pay in addition to each monthly payment on the Loan one-twelfth of the annual real estate or property Taxes, assessments, insurance premiums, water and sewer rates and other charges (and ground or emphytheutic rents if applicable) payable with respect to the Property (as

- 32 -

estimated by the Lender in its sole discretion), to be held by the Lender without interest to the Borrower, for the payment of such obligations.

10.2.8 FF&E.

The Borrower shall:

- 10.2.8.1** maintain the FF&E in good operating condition, repair and appearance in accordance with standards consistent with and customary with industry practice and in accordance with manufacturing service bulletins and any mandatory governmental requirements all of which must be reviewed by the Lender and must be satisfactory to the Lender, ordinary wear and tear only excepted;
- 10.2.8.2** not sell, transfer, assign, convey or otherwise dispose of its interest therein except in the ordinary course of business and to dispose of obsolete FF&E and except as permitted by the GSA; and
- 10.2.8.3** replace FF&E in a manner and to the extent a prudent owner of a similar Hotel would in the circumstances.

10.3 Negative Covenants of the Borrower.

While any amount owing hereunder remains unpaid or the Lender has any obligations hereunder, the Borrower covenants with the Lender, as follows:

10.3.1 No Secondary or Additional Financing.

The Borrower shall not create, accept, assume, issue or permit to exist, directly or indirectly, any secondary or additional financing, except as permitted herein and by the Commitment Letter. The Borrower may request additional financing with respect to the Property from the Lender, and if the Lender approves such additional financing under its then current underwriting guidelines, the additional financing may be secured by a second mortgage in favour of the Lender.

10.3.2 Negative Pledge.

The Borrower shall not create, accept, assume, incur or suffer to exist any security interest in or upon any of its undertakings, properties, rights or assets or the Property except for Permitted Liens. For greater certainty, no subordinate Liens, charges, encumbrances, mortgages, or hypothecs on the Property shall be permitted, other than as permitted by the Commitment Letter.

10.3.3 No Liens.

The Borrower shall not allow any mortgages, charges, debentures or Liens to be registered on title to the Property, other than as permitted under the Commitment Letter, including charges, mortgages, debentures or Liens on any leasehold interest in the Property.

- 33 -

10.3.4 No Guarantees.

The Borrower shall not be or become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by way of a guarantee.

10.3.5 Leases.

The Borrower shall not, without the prior written consent of the Lender, which consent shall not be unreasonably withheld, enter into, amend (in any material respect or in respect of a decrease in the rent), increase or decrease the area of the leased premises or the duration of the term, terminate (other than in connection with a tenant default) or accept the surrender of any material portion of the Lease or other leases in relation to the Property. The Borrower covenants to deliver to the Lender, within two (2) days following its receipt thereof, copies of all proposed leases, lease amendments and proposals to terminate or surrender a lease. The Lender shall provide its response to any request for consent within three (3) Business Days of receipt of such request in writing, failing which, the Lender shall be deemed to have provided its consent.

10.4 Variation of the Documents.

The Borrower shall not consent, agree or acquiesce to a material amendment in or termination of this Agreement or material variation in or termination of the Documents without the written approval of the Lender.

**ARTICLE 11
DEFAULT AND ENFORCEMENT**

11.1 Events of Default

Without limiting the Lender's right to terminate the Loan in accordance with its terms, the occurrence of any one or more of the following events shall constitute an Event of Default and, prior to the Advance, shall prevent the Lender to proceed to the Advance:

11.1.1 Non-payment of Principal.

The Borrower fails to make when due, whether by acceleration or otherwise, any payment of principal required to be made by the Borrower hereunder or the Borrower fails to pay when due any other amounts hereunder and such failure continues for 3 Days or more after the earlier of the date on which it first has actual knowledge of such default and the date on which written notice of such default is given to it by the Lender.

11.1.2 Change of control.

There is a change in the ultimate and effective control of any of the Borrower, whether directly or indirectly.

11.1.3 Non-payment of Interest, Fees and Other Amounts.

- 34 -

The Borrower fails to make when due, whether by acceleration or otherwise, any payment of interest, fees or any other payment hereunder not referred to in Section 11.1.1 and such failure continues for 3 Days or more after the earlier of the date on which it first has actual knowledge of such default and the date on which written notice of such default is given to it by the Lender.

11.1.4 Non-payment of Taxes.

The Borrower fails to pay any Taxes when due (being agreed that such default shall not become effective until, if applicable, all contestation rights and recourses available or exercised by the Borrower in accordance with Section 10.1.8 are completely extinguished or expired; provided however that the Borrower shall have effected the deposit in escrow required by said 10.1.8 during all of such contestation period for such default not to immediately become effective).

11.1.5 Destruction of the Improvements.

The Improvements are completely destroyed and the Loan is not immediately repaid or the Improvements are not rebuilt in accordance with the Lender's Security.

11.1.6 Covenants.

The Borrower or any of the Guarantors fails to perform or observe any other term, condition, obligation, covenant or undertaking contained in any Document, including without limitation the financial covenants described in Section 11.1.30 and such failure continues for 30 Days or more after the earlier of the date on which it first has actual knowledge of such default and the date on which written notice of such default is given to it by the Lender for non-monetary defaults or 10 Business Days from the due date for monetary. It is agreed that the foregoing rights to notice and cure shall apply to all Events of Default set out in this Section 11.1 other than the Events of Default set out in sections 11.1.1, 11.1.2, 11.1.3, 11.1.9, 11.1.10, 11.1.13, 11.1.14, 11.1.15, 11.1.16, 11.1.19, 11.1.20, 11.1.22, 11.1.24, 11.1.28, and 11.1.29.

11.1.7 Environment Laws.

The Borrower fails to comply with any Environmental Laws.

11.1.8 Representations and Warranties.

Any representation, warranty or statement which is made by the Borrower in any Document or which is contained in any certificate, written statement or written notice provided under or in connection with any Document, is untrue, false, incorrect or misleading in any material respect when made.

11.1.9 Execution.

A seizure or execution or any similar process is levied or enforced against the Property or any or part of the Borrower's property or assets.

11.1.10 Invalidity and Contestation.

This Agreement or any of the other 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 Document or any term or provision thereof shall be contested by the Borrower, any of the Guarantors or any other party thereto, or the Borrower, any of the Guarantors or any other such party shall deny that it has any or further liabilities or obligations thereunder.

11.1.11 Judgment.

A final judgement for damages is rendered against the Borrower or any of the Guarantors and within the applicable appeal period, such judgement shall not have been vacated or discharged or execution thereof stayed pending appeal or, within 30 days after the expiration of any such stay, such judgement shall not have been discharged.

11.1.12 Government Approval.

Any Government Approval required to enable the Borrower to conduct its business substantially as presently conducted or to perform its obligations under any Document is not obtained or is withdrawn or ceases to be in full force and effect and such required Government Approval cannot be acquired or reinstated within 30 days of the date on which the Borrower knew or ought to have known such Government Approval was required or withdrawn or, if capable of being acquired or reinstated within such 30 day period, the Borrower has not proceeded diligently to obtain or reinstate such Government Approval within such 30 day period.

11.1.13 Voluntary Proceedings.

The commencement or acquiescence of, or by the Borrower or any Guarantor or in proceedings for substantive relief with respect to the Borrower or any Guarantor, in any bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding up or other similar proceedings (including, without limitation, proceedings under the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation in the jurisdiction in which the Borrower or any Guarantor is incorporated or established, the corporation statute under which the Borrower or any Guarantor is organized or other similar legislation) including, without limitation, the filing of a proposal or plan of arrangement or a notice of intention

- 36 -

to file same, or proceedings for the appointment of a trustee, interim receiver, receiver, receiver and manager, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official with respect to the Borrower, any of the Guarantors or any of them or all or any material part of their property and assets, or any similar relief.

11.1.14 Involuntary Proceedings.

If a petition or any other proceeding or case shall be filed, instituted or commenced with respect to the Borrower or any Guarantor under any bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt, dissolution, liquidation, winding-up or similar law, now or hereafter in effect, seeking the bankruptcy, liquidation, reorganization, dissolution, winding-up, composition or readjustment of debts of the Borrower or any Guarantor, the appointment of a trustee, interim receiver, receiver, receiver and manager, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for the Borrower or any Guarantor or all or any material part of their property and assets, or any similar relief.

11.1.15 Receiver.

Any Person including, without limitation, a receiver, receiver and manager, or other similar official whether appointed privately or judicially, is appointed for the Borrower or any Guarantor or takes possession of the Property or any other property and assets of the Borrower or any Guarantor.

11.1.16 Act of Bankruptcy.

The Borrower or any Guarantor commits an act of bankruptcy.

11.1.17 Lien.

Any Lien, except for a Permitted Lien, is filed or registered against the Property and is not discharged by the Borrower within 30 days after the earlier of the date on which the Borrower has actual knowledge of such filing or registration and the date on which written notice of such filing or registration is given to the Borrower by the Lender.

11.1.18 Material Adverse Effect.

At any time there occurs an event or circumstance which in the view of the Lender, acting reasonably, has a Material Adverse Effect.

11.1.19 Transfer.

Any Transfer occurs other than in accordance with the terms of the Lender's Security or of Section 10.2.3.

- 37 -

11.1.20 Priority.

Any of the Lender's Security ceases to be a valid and opposable first Lien (except for any Permitted Lien which would rank prior to any of the Lender's Security) on the Property or any part thereof.

11.1.21 Expropriation.

Any part of the Property is condemned or expropriated and such condemnation or expropriation materially impairs in the sole opinion of the Lender, acting reasonably:

11.1.21.1 the value of the Property;

11.1.21.2 the Lender's Security; or

11.1.21.3 the ability of the Borrower to fulfil its obligations to the Lender under this Agreement.

11.1.22 Unenforceability.

Any provision of the Lender's Security is found by any court to be illegal or unenforceable (other than as a result of a fault of the Lender), and such finding has a Material Adverse Effect.

11.1.23 Cross Default.

The Borrower, any Guarantor or any of their Affiliates defaults under any obligation under any agreement entered into between any of them and the Lender or any Affiliate of the Lender, and such default continues for 30 days after notice thereof by the Lender or by such Affiliate, as applicable, to the Borrower.

11.1.24 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.

11.1.25 Financially Responsible.

The Lender determines, in the Lender's sole judgement, that the Borrower, any Guarantor or any successor or permitted assign of the Borrower or any Guarantor, is not financially responsible at the time of the Advance. "Financially responsible" shall mean having no Material Adverse Change in financial condition from the financial condition previously disclosed to the Lender; or having no outstanding defaults, Liens, court actions, charges or liabilities (including contingent liabilities) which could, in the opinion of the

- 38 -

Lender, result in insolvency or bankruptcy, within the meaning of the *Bankruptcy and Insolvency Act* (Canada).

11.1.26 Impairment.

The Lender discovers any facts impairing the Property or any of the Documents, or the Lender discovers any fact not previously disclosed to the Lender with respect to the Borrower or any Guarantor, which in the Lender's sole judgement, would have caused the Lender to refuse to make the Loan, or the Lender discovers that any of the financial information or financial statements submitted to the Lender in connection with the transactions completed hereby are not true, correct and complete.

11.1.27 Failure.

The Borrower fails or refuses to sign any of the Documents or to accept the Advance.

11.1.28 Franchise Agreement.

The Franchise Agreement or any licences required in connection with the Hotel Business expires, is amended, is revoked or is otherwise terminated, and has not been reinstated within 60 days.

11.1.29 Advance Conditions.

An inability of the Borrower to satisfy any conditions specified in this Agreement as precedent to the obligation of the Lender to make a Construction Advance after a drawdown notice has been submitted by the Borrower to the Lender.

11.1.30 FCCR Ratio Pre Covenant.

The FCCR Ratio Pre, as measured each fiscal year, does not equal or exceed 1.30 in each fiscal year.

During the first three fiscal years of operation only (ending _____, 2008), if the Borrower is in default under this section 11.1.31, and provided that the FCCR Ratio Pre is otherwise greater than 1.0, the Borrower shall have a one-time right to cure such default by posting an unconditional letter of credit (in a form and from an institution satisfactory to the Lender) (the "LOC") within 30 days after notice of such default by the Lender. The amount of the LOC shall be equal to the principal amount by which the Loan Amount would have to be reduced in order for the covenants under this section to be met. If, at the end of the following fiscal year, the Borrower is not in full compliance with its covenants under this section or is otherwise in default under this Agreement, the Lender shall be entitled to draw on the LOC to reduce the principal amount of the Loan. For greater certainty, the rights of the Borrower under this paragraph are one-time rights, and if the Borrower has previously exercised its right to cure a default pursuant to this section, the Borrower shall not be entitled to again cure a default hereunder by posting a letter of credit.

- 39 -

11.1.31 FCCR Ratio Post Covenant.

The FCCR Ratio Post, as measured each fiscal year, does not equal or exceed 1.05.

11.1.32 Guarantors and Affiliates.

Any event or circumstance described in Sections 11.1.1 through 11.1.32 inclusive occurs with respect to any Guarantor or any Person who controls the Borrower or any Affiliate of the Borrower.

11.1.33 Insurance.

The failure of the Borrower to maintain in full force and effect insurance coverage on the Property as required hereunder and under the Lender's Security.

11.1.34 Material Debt Obligations.

The Borrower defaults under any other material debt with other creditors and such default has not been remedied within the applicable cure periods.

11.2 Rights upon Default

Upon the occurrence of an Event of Default, the Lender may, without the necessity of notice or demand other than otherwise provided in this Article 11:

- 11.2.1** on notice in writing to the Borrower, declare that the entire Loan Amount, all unpaid accrued interest and all fees and other amounts required to be paid by the Borrower hereunder and under the Lender's Security, are immediately due and payable, the Borrower being in default by operation of law; and
- 11.2.2** concurrently and following demand under Section 11.2.1, proceed to exercise any and all rights and remedies hereunder or under any other Document or at law.

11.3 No Advance

Upon the occurrence of an Event of Default, the obligation of the Lender to disburse the Advance under the Loan shall, at the Lender's option, immediately terminate.

11.4 Waiver of Default

No express or implied waiver by the Lender of any Event of Default shall in any way be or be construed to be a waiver of any future or subsequent Event of Default. To the extent permitted by any Applicable Law, the Borrower hereby waives any rights now or thereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under this Agreement. The Borrower acknowledges and agrees that the exercise by the Lender of any rights under any Document without having declared an acceleration shall not in any way alter, affect or prejudice the right of the

Lender to make a declaration pursuant to the provisions of Section 11.2 at any time and, without limiting the foregoing, shall not be construed as or deemed to constitute a waiver of any rights under this Section 11.4.

ARTICLE 12 REMEDIES

12.1 Remedies Cumulative

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 Documents. Any single or partial 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 or to alter, affect or prejudice any other right or remedy or other rights or remedies 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.

12.2 Remedies Not Limited

The Lender may, to the extent permitted by any Applicable Law, bring suit at law for any available relief or purpose including, without limitation, to (i) the specific performance of any covenant or agreement contained in this Agreement or in any other Document, (ii) an injunction against a violation of any of the terms of this Agreement or any other Document, (iii) in aid of the exercise of any power granted by this Agreement or any other Document or by law, or (iv) the recovery of any judgement for any and all amounts due in respect of the Loan Amount or amounts otherwise due hereunder or under any Document.

12.3 Lender May Perform Covenants

If the Borrower shall fail to perform any of its obligations under any covenant contained in this Agreement or any other Document, including without limitation the payment of any Taxes referred to in Section 10.1.8, the Lender may (but has no obligation to), upon notice to the Borrower, 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 hereunder to but excluding the date such amounts are irrevocably repaid in full by the Borrower.

12.4 Direct Disbursement and Application by Lender

The Lender shall have the right, but not the obligation, to disburse and directly apply the proceeds of the Advance to the satisfaction of any of the Borrower's obligations hereunder. The Advance by the Lender for such purpose shall be part of the Loan and shall be secured by the Lender's Security. The Lender may advance and incur such

- 41 -

expenses as the Lender reasonably deems necessary to preserve any security for the Loan, including the Lender's Security, and such expenses, even though in excess of the amount of the Loan, shall be secured by the Lender's Security, and payable to the Lender upon demand. The Lender may disburse any portion of the Advance at any time, and from time to time, to Persons other than the Borrower for the purposes specified in this Section 12.4 and the amount of the Advance to which Borrower shall thereafter be entitled shall be correspondingly reduced.

ARTICLE 13 MISCELLANEOUS

13.1 Amendments and Waivers

No amendment or waiver of any provision of this Agreement or consent to any departure by the Borrower from any provision of this Agreement will in any event be effective unless it is in writing and then the amendment, modification, waiver or consent will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given by the Lender.

13.2 Notice

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 a reputable international overnight courier service or personally or sent by telecopier or by prepaid mail to the mailing address, or telecopier 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 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 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 telecopied before 4:30 p.m. on a Business Day, shall be deemed to have been received on that day, and if telecopied 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.

13.3 Further Assurances

The Borrower shall from time to time promptly upon the request of the Lender take such action, and execute and deliver such further documents, hypothecs, charges, assignments, pledges, amendments and other deeds and instruments (which shall form part of the Lender's Security and the Documents) as may be reasonably necessary or appropriate to fully give effect to the provisions and intent of this Agreement and to take all other steps necessary to maintain the validity, intended priority and opposability of the Lender's Security.

13.4 Reimbursement of Expenses

The Borrower shall, on demand, pay to the Lender all of the legal fees of the Lender, documentation costs and other expenses, all reasonably incurred in the negotiation, preparation and execution of the Documents and in connection with the administration of

- 42 -

this Agreement. In addition, the Borrower shall pay all legal fees, and other expenses reasonably incurred by the Lender 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 under the Documents. For greater certainty, the Lender shall not be liable for the payment of any brokerage fee or commission arising from the Commitment Letter or this Agreement, and the Borrower agrees to defend, indemnify and hold the Lender harmless against any and all expenses, liabilities and losses arising from any claim in respect of such brokerage fee or commission, including reasonable attorney's fees.

- 13.5 Deposit.** The Borrower has paid to the Lender a non-interest bearing deposit in the amount of CDN\$30,000.00 (the "Deposit"). The Deposit will be returned to the Borrower: (i) upon the closing of the Loan transaction, which includes receipt of all properly executed documentation, net of any expenses incurred by the Lender and/or; (ii) upon the Lender terminating this transaction because of a materially adverse change in the Borrower's financial condition, net of all expenses incurred by the Lender. If the Loan transaction is not fully completed by June 30, 2005 (the "**Expiration Date**") for any other reason, then the Lender will retain the entire Deposit as payment of any costs described in the Commitment Letter as liquidated damages and not as a penalty. The Borrower agrees that the Deposit represents a fair pre-estimate of damages. Notwithstanding the foregoing, subject to the Lender's approval, the Borrower shall have one option to extend the Expiration Date for an additional sixty (60) days upon written request, and upon payment of an extension fee of 0.50% of the Loan Amount, which fee shall be non refundable to the Borrower. The extension fee shall be in addition to and not in substitution for any other fee payable by the Borrower under this Agreement.

13.6 Survival

Without prejudice to the survival or termination of any other obligation of the Borrower under this Agreement, the obligations of the Borrower under Sections 4.7 and 4.8 shall survive the termination or expiration of this Agreement and the repayment of the Loan Amount and all other amounts payable hereunder.

13.7 Governing law

Each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario. This Agreement shall be governed by the law in force in the Province of Ontario and the laws of Canada applicable therein. Any action or proceedings in relation with this Agreement or the Lender's Security shall be brought before the courts of the Province of Ontario.

To the extent that the Lender's Security affects real or immovable property that is not in Ontario, the laws of the province in which such property is located shall be applicable.

13.8 Successors and Permitted Assigns

This Agreement shall be binding upon and enure to the benefit and be binding upon the Borrower, the Lender and their respective successors and permitted assigns.

13.9 Assignment by the Borrower

The Borrower may not assign or Transfer all or any part of its rights and obligations under this Agreement without the prior written consent of the Lender. The Borrower may not assign or transfer any of its rights and obligations under the Lender's Security. Notwithstanding the foregoing, the Borrower shall be permitted to make a Transfer to an Affiliate without payment of any transfer fees. All costs incurred by the Lender in connection with any Transfer (whether permitted or not) shall be payable by the Borrower and shall be due upon demand by the Lender.

13.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

13.11 Information

At any time, the Lender may provide to any Government Authority or any Person reasonably requesting same copies of this Agreement and information about the Borrower, this Agreement or the obligations of the Borrower hereunder. The Borrower and the Guarantors hereby specifically authorize the Lender to obtain at any time any credit or other personal information concerning the Borrower and the Guarantors which the Lender desires or requires and which, in the opinion of the Lender, is pertinent to the credit approval or the completion or performance of the transactions hereby contemplated and any credit bureau, bank, financial institution or other Person possessing any such information is, by this consent, authorized to communicate such information on request by the Lender. The Borrower and the Guarantors further consent to the Lender at any time exchanging with and communicating to any Person or Government Authority requesting some information concerning the credit rating and capability and past record of meeting financial obligations of the Borrower and the Guarantors.

13.12 Assignment and Participation by the Lender

The Lender reserves the right, in its sole discretion, to sell, assign, transfer, grant participation in or otherwise dispose, by way of syndication or securitization (collectively, a "**Participation**"), its interest in respect of the Loan, in whole or in part, to one or more Persons (an "**Additional Lender**"), without notice to or consent from the Borrower. The Borrower and the Guarantors authorize the Lender to disclose to any potential Additional Lender all information relating to the Property, the Documents, the Borrower, the Guarantors or the transactions contemplated herein in any manner determined by the Lender, provided that such Additional Lender is bound to keep such information confidential. The Borrower and the Guarantors also agree to execute and deliver such additional documentation 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 Lender at mutually agreeable times to discuss the business and operations of the Borrower. The Borrower and the Guarantors agree that they shall, upon the Lender's request and at its expense, enter into such documentation including, without limitation, replacement security as the Lender and/or the Additional Lender may reasonable consider necessary for such purposes. The Lender shall be

- 44 -

relieved of its obligations under the Loan or the Documents to the extent of a Participation provided that the Additional Lender assumes all of the Lender's obligations hereunder to the extent of the Participation. It is agreed that all fees related to the transactions described in this Section 13.12 and incurred by the Lender in connection therewith, shall be the Lender's sole responsibility.

13.13 Approvals

Any and all approvals, consents, inspections, investigations, waivers or any other actions which may or may not be given or taken by the Lender pursuant to the terms of this Agreement or any other agreement or document contemplated in or by this Agreement shall not be effective or binding on the Lender unless given in writing signed by a Person duly authorized by the Lender.

13.14 Relationship of the Parties

The relationship between the Borrower and the Lender is, and shall at all times remain, solely that of borrower and lender. The Lender neither undertakes nor assumes any responsibility or duty to the Borrower to review, inspect, supervise, pass judgement upon or inform the Borrower of any matter. The Borrower specifically acknowledges and agrees that nothing contained herein shall constitute the Lender a partner of any other party hereto or be interpreted by the parties hereto or any third party to create a joint venture or a relationship of principal and agent.

13.15 Borrower's Judgment

The Borrower shall rely entirely upon its own judgement and any review, inspection, supervision, exercise of judgement or information supplied to the Borrower by the Lender in connection with any matter is for the protection of the Lender and the Borrower or any third party is not entitled to rely thereon.

13.16 Joint and Several Liability

Where in the 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.

13.17 Limitations

Any reference herein to "including" is not intended to be limiting whether or not non-limiting language such as "without limitation" or "without restricting the foregoing" is used with reference thereto.

13.18 Language

The parties hereto have expressly required that this Agreement and all documents, agreements and notices related thereto be drafted in the English language. *Les parties*

- 45 -

aux présentes ont expressément exigé que le présent contrat et tous les autres documents, conventions ou avis qui y sont afférents soient rédigés en langue anglaise.

13.19 Credit Information

The Lender is hereby expressly authorized by the Borrower to obtain any credit information with respect to the Borrower from such source(s) as the Lender may deem appropriate. The Borrower consents to the disclosure at any time of any information concerning the Borrower or the Property to any Person or Government Authority requesting same.

13.20 Brokerage Fees

The Lender shall not be liable for the payment of any brokerage fee or commission arising from this transaction and the Borrower agrees to defend, indemnify and hold the Lender harmless against all expenses, liabilities, and losses arising from such claims in connection therewith, including payment of reasonable attorney's fees. The Lender confirms that it has not engaged any brokers and has not agreed to be liable for any brokerage fees or commissions.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

LAMCO INVESTMENTS LTD.

By: 

Name: Mohmud Jiwani

Title: President

I/We have authority to bind the Corporation.

- 46 -

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


Desiree Lam
R.E. Loan Closer

By: Name: M. ColeTitle: V.P.

I have authority to bind the Partnership.

SIGNED, SEALED AND DELIVERED
in the presence of



Witness



Name **MOHMUD JIWANI**

SIGNED, SEALED AND DELIVERED
in the presence of



Witness



Name **LAILA JIWANI**

1400717 ONTARIO LIMITED

By: 

Name: Mohmud Jiwani

Title: Secretary

I have authority to bind the Corporation.

- 47 -

LIST OF SCHEDULES

Schedule "A" – Legal Description of the Property

Schedule "B" – Borrower's Documents

Schedule "C" – Permitted Liens

Schedule "D" – Rate Lock Letter

Schedule "D" – Amortization Schedule

Schedule "E" – Location of Property and Lease Details

Schedule "F" – Special Conditions

SCHEDULE "A"**LEGAL DESCRIPTION OF THE PROPERTY**

PIN 08485-0177 (LT), being Part of Lot 16, Concession 3, City of London.

SCHEDULE "B"**BORROWER'S DOCUMENTS**

- A. Commitment Letter
- B. Loan Agreement
- C. Charge/Mortgage of Land
- D. Environmental Indemnity Agreement
- E. General Assignment of Rents
- F. General Security Agreement
- G. Assignment of Management and Services Agreements
- H. Solicitor's Opinion
- I. Undertaking re Subordination, Non-Disturbance, Attornment and Tenant-Landlord Estoppel Agreement
- J. Guarantee re Individual Guarantors
- K. Guarantee re Corporate Guarantors
- L. Right to Terminate Management Agreement
- M. Postponement of Shareholder Loans
- N. Any other document relating to the Loan provided by the Borrower from time to time.

SCHEDULE "C"

PERMITTED LIENS

- a) reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title and reservations of mineral rights (including coal, oil and natural gas) in any grants from the Crown or from any other predecessors in title;
- b) servitudes or easements of rights of way for purposes of public utility, or for encroachments, rights of view or otherwise, including, without in any way limiting the generality of the foregoing, the sewers, drains, gas and water mains, steam transport, electric light and power or telephone and telegraph conduits, poles and cables, pipelines or zoning restrictions affecting the use of the immovable or real properties of the Borrower which will not materially or adversely impair the use for which any one of the immovable or real properties of the Borrower is intended nor substantially diminish any Liens thereon;
- c) any Lien for taxes, assessments or other governmental charges or levies not yet due or, if due, the validity of which is being contested diligently and in good faith by or on behalf of the Borrower by proper legal proceedings in accordance with Section 10.1.8, provided the action to enforce the same has not proceeded to final non-appealable judgment and adequate provision has been made for the payment thereof in accordance with GAAP;
- d) any Lien of any judgment rendered or claim filed against the Borrower which the Borrower or others on its behalf shall be contesting diligently and in good faith by proper legal proceedings, provided the action to enforce the same has not proceeded to final non-appealable judgment and adequate provision has been made for the payment thereof in accordance with GAAP;
- e) the pledges or deposits of cash or securities made pursuant to laws relating to workmen's compensation or similar laws, or deposits of cash made in good faith in connection with offers, tenders, leases or contracts (excluding, however, the borrowing of money or the repayment of money borrowed) and deposits of cash or securities in order to secure appeal bonds or bonds required in respect of judicial proceedings;
- f) undetermined or inchoate Liens, arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with applicable law or of which written notice has not been duly given in accordance with applicable law or which, although filed or registered, relate to obligations not due or delinquent;
- g) the rights reserved to or vested in municipalities or governmental or other public authorities or agencies by statutory provisions or by the terms of leases, licences, franchises, grants or permits, which affect any land, to terminate any such leases, licences, franchises, grants or permits or to require annual or other payments as a condition to the continuance thereof;
- h) securities to public utilities or Governmental Authorities when required by the utility or Governmental Authority in connection with the supply of services or utilities to the Borrower in the operation of its business, and securities granted as part of any refundings or renewals thereof provided the security is restricted to the same collateral; and
- i) capital liens to which the Lender may consent in writing from time to time, the charges created pursuant to the Lender's Security and any other Lien in favour of the Lender.

- 2 -

- j) security taken by the Franchisor pursuant to the Franchise Agreement, provided that such security is subordinated to the security in favour of the Lender.
- k) purchase money security interests and leases for copier equipment.
- l) security with respect to an operating line limited to the maximum amount of \$50,000, provided that such security is subordinated to the security in favour of the Lender.
- m) all other Liens which are disclosed by registered title but which do not form exceptions to the Title Policy.

SCHEDULE "D"
AMORTIZATION SCHEDULE

SCHEDULE "E"
LEASE DOCUMENTS

NONE.

- 2 -

SCHEDULE "F"
SPECIAL CONDITIONS

The advance under this Agreement is conditional upon receipt and satisfactory review by the Lender of the following, all in a form and substance satisfactory to the Lender:

1. Executed copies of the management agreement for the Property and confirmation that the remaining term under such agreement is for a term at least equal to the term of the Loan, and copies of all service contracts for the Property and the Hotel Business, and the Lender's approval of the same.
2. An Environmental Phase I report prepared by an environmental assessor satisfactory to the Lender, and all engineering reports and inspection reports to be prepared by third parties acceptable to the Lender.
3. The Lender's Security, and Undertaking re Subordination, Non-Disturbance, Attornment and Tenant-Landlord Estoppel Agreements from all tenants of the Property.
4. All appraisals, engineering reports, environmental assessments, and on-site inspection reports required by the Lender.
5. Proof of Compliance with any applicable laws and regulations including particularly any licensing, zoning or parking requirements and a copy of the unconditional, permanent certificate(s) of occupancy and evidence that all utilities necessary for the full use and enjoyment of the Property are available to the Property, and that water and sanitary sewer systems are provided to the Property and maintained by governmental authorities or by applicable public utilities.
6. Confirmation that there are no Events of Default hereunder.
7. A survey of the Property.
8. Complete copies of all leases, agreements to lease or offers to lease for the Property.
9. An insurance certificate for the Property.
10. Executed copies of the Franchise Agreement and confirmation that the remaining term under such agreement is for a term at least equal to the term of the Loan, and the Lender's approval of the same.
11. Comfort Letter or Tri-Party Agreement from the Franchisor satisfactory to the Lender.
12. Payment of Management Fees to owners/affiliates to be subordinated to the Loan.
13. Validation of the asset values of the declared net worth statements of the Guarantors.
14. Satisfactory property condition assessment report from one of the Lender's approved inspectors.
15. Copy of detailed financial statements for affiliate hotels to correspond with data provided to the Lender.
16. All shareholder and related party loans to be subordinated to the Loan by the Lender.
17. All other documents, certificates and declarations reasonably required by the Lender or its solicitors.

ARTICLE 1	DEFINITIONS.....	1
1.1	Definitions.....	1
1.2	Headings	7
1.3	References.....	7
1.4	Number and Gender.....	7
1.5	Time of Day	7
1.6	Conflict	7
1.7	Severability	7
1.8	Currency.....	7
1.9	Time	7
1.10	GAAP	8
1.11	Entire Agreement.....	8
1.12	Schedules and Exhibits	8
ARTICLE 2	LOAN	8
2.1	Non-Binding	8
2.2	Deemed Representation	8
2.3	Non-Construction Use	8
2.4	Promise to Pay	9
2.5	Use of Loan Amount.....	9
ARTICLE 3	LOAN ADVANCE.....	9
3.1	Multiple Advances	9
3.2	Holdback Amount.....	9
3.3	Interest Rate	9
3.4	Payment Date and Period.....	10
3.5	Prepayment	11
3.6	Determination Final	12
3.7	Evidence of Indebtedness	12
3.8	Full Recourse	12
ARTICLE 4	INTEREST, FEES AND EXPENSES.....	13
4.1	Interest on Overdue Amounts	13
4.2	Criminal Rate of Interest.....	13
4.3	Lender's Solicitors' Fees	13
4.4	Miscellaneous Fees	13

4.5	Fees – General.....	14
4.6	Interest on Fees	14
4.7	Indemnity.....	14
4.8	Loan Fee.....	14
ARTICLE 5	PAYMENTS.....	15
5.1	Payments Generally.....	15
5.2	No Deduction or Withholding	15
5.3	No Compensation.....	15
5.4	Application of Payments Before Exercise of Rights	15
5.5	Application of Payments After Exercise of Rights.....	16
ARTICLE 6	SECURITY	17
6.1	Execution of Lender’s Security	17
6.2	Borrower’s Acknowledgement	17
6.3	Form of Lender’s Security	17
ARTICLE 7	REPRESENTATIONS AND WARRANTIES.....	17
7.1	Representations and Warranties.....	17
7.2	Survival of Representations and Warranties.....	19
ARTICLE 8	ENVIRONMENTAL MATTERS	19
8.1	Representations and Warranties.....	19
ARTICLE 9	CONDITIONS PRECEDENT	21
9.1	Conditions Precedent to Each Advance.....	21
9.2	Conditions to Benefit of Lender	23
ARTICLE 10	COVENANTS	23
10.1	Affirmative Covenants of the Borrower	23
10.2	Accounting, Financial Statements and Other Information.	27
10.3	Negative Covenants of the Borrower.....	29
10.4	Variation of the Documents.....	30
ARTICLE 11	DEFAULT AND ENFORCEMENT	30
11.1	Events of Default	30
11.2	Rights upon Default	35
11.3	No Advance	35
11.4	Waiver of Default	36

ARTICLE 12	REMEDIES.....	36
12.1	Remedies Cumulative.....	36
12.2	Remedies Not Limited.....	36
12.3	Lender May Perform Covenants.....	36
12.4	Direct Disbursement and Application by Lender.....	37
ARTICLE 13	MISCELLANEOUS.....	37
13.1	Amendments and Waivers.....	37
13.2	Notice.....	37
13.3	Further Assurances.....	37
13.4	Reimbursement of Expenses.....	38
13.5	Deposit.....	38
13.6	Survival.....	38
13.7	Governing law.....	38
13.8	Successors and Permitted Assigns.....	39
13.9	Assignment by the Borrowers.....	39
13.10	Counterparts.....	39
13.11	Information.....	39
13.12	Assignment and Participation by the Lender.....	39
13.13	Approvals.....	40
13.14	Relationship of the Parties.....	40
13.15	Borrower's Judgment.....	40
13.16	Joint and Several Liability.....	40
13.17	Limitations.....	40
13.18	Language.....	41
SCHEDULE "A"		
SCHEDULE "B"		
SCHEDULE "C"		
SCHEDULE "D"		
SCHEDULE "D"		
SCHEDULE "E"		
SCHEDULE "F"		

This is **Exhibit "C"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2010

October, 2010

FRANCE
AGDE

A Commissioner for Making 100,000s, etc.

Edward Khediguian
Vice President, Franchise

LRO # 33 Charge/Mortgage

Received as ER344240 on 2005 03 03 at 13:07

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

yyyy mm dd Page 2 of 2

Submitted By

AYLESWORTH THOMPSON

PHELAN O'BRIEN LLP

Tel 416-777-0101

Fax 4168651398

222 Bay Street, PO Box 124, Ernst & Young Tower
Toronto M5K 1H1

2005 03 03

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Chargor Client File Number :

11672-46

LRO # 33 Charge/Mortgage

Received as ER344240 on 2005 03 03 at 13:07
Page 1 of 2

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

yyyy mm dd

Page 1 of 2

Properties

PIN 08485 - 0177 LT Estate/Qualifier Fee Simple Lt Conversion Qualified
 Description PT LT 16 CON 3 AS IN 801684 LONDON/WESTMINSTER
 Address 00817 EXETER ROAD
 LONDON

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 LAMCO INVESTMENTS LTD.
 Address for Service 1525 Robson Street
 Vancouver, British Columbia
 V6G 1C3

I, Mohmud Jiwani, President, have the authority to bind the corporation.

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

Chargee(s)

Capacity

Share

Name GENERAL ELECTRIC CANADA REAL ESTATE FINANCE
 INC.
 Address for Service 2300 Meadowdale Boulevard
 Suite 111
 Mississauga, Ontario
 L5N 5P9

Statements

Schedule: See Schedules

Provisions

Principal \$ 4,200,000.00 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 20004
 Insurance Amount full insurable value
 Guarantor

Signed By

James Michael Uwe McKeon 222 Bay Street, PO Box 124, Ernst acting for Chargor(s) Signed 2005 03 03
 & Young Tower
 Toronto M5K 1H1
 Tel 416-777-0101
 Fax 4168651398

SCHEDULE

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 20004 (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 loan agreement (the "Loan Agreement") dated as of February 24, 2005 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 FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00).

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 FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00) 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

- 2 -

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:** Except as otherwise permitted pursuant to the Loan Agreement 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 part 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.

6.0 PAYMENT TERMS GOVERNED BY LOAN AGREEMENT

By our acceptance and registration of this Mortgage, we acknowledge and agree that the rate of interest chargeable on the amount secured under this Mortgage is only intended to be an estimate of the maximum interest rate and, notwithstanding the provisions of this Mortgage, the amount secured by this Mortgage shall at no time exceed the aggregate of amounts outstanding by you to us pursuant to the Loan Agreement and all evidence of indebtedness given in connection therewith, and shall be due and payable by you to us in accordance with the Loan Agreement.

This is **Exhibit "D"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October 12, 1995

A Commissioner for taking Affidavits, etc.


Edward Khediguian
Vice President, Franchise

LRO # 33 Notice Of Assignment Of Rents-General

Received as ER344241 on 2005 03 03 at 13:07

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

yyyy mm dd Page 1 of 5

Properties

PIN 08485 - 0177 LT Estate/Qualifier Fee Simple Lt Conversion Qualified
 Description PT LT 16 CON 3 AS IN 801684 LONDON/WESTMINSTER
 Address 00817 EXETER ROAD
 LONDON

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 LAMCO INVESTMENTS LTD.
 Address for Service 1525 Robson Street
 Vancouver, British Columbia
 V6G 1C3

I, Mohmud Jiwani, President, have the authority to bind the corporation.

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

Party To(s)

Capacity

Share

Name GENERAL ELECTRIC CANADA REAL ESTATE FINANCE
 INC.
 Address for Service 2300 Meadowvale Boulevard
 Suite 111
 Mississauga, Ontario
 L5N 5P9

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, ER344240 registered on 2005/03/03 to which this notice relates is deleted

Schedule: See Schedules

Signed By

James Michael Uwe McKeon 222 Bay Street, PO Box 124, Ernst acting for Applicant(s) Signed 2005 03 03
 & Young Tower
 Toronto M5K 1H1

Tel 416-777-0101
 Fax 4168651398

James Michael Uwe McKeon 222 Bay Street, PO Box 124, Ernst acting for Party To(s) Signed 2005 03 03
 & Young Tower
 Toronto M5K 1H1

Tel 416-777-0101
 Fax 4168651398

Submitted By

AYLESWORTH THOMPSON 222 Bay Street, PO Box 124, Ernst & Young Tower 2005 03 03
 PHELAN O'BRIEN LLP
 Toronto M5K 1H1

Tel 416-777-0101
 Fax 4168651398

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

LRO # 33 Notice Of Assignment Of Rents-General

Recalpted as ER344241 on 2005 03 03 at 13:07

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

yyyy mm dd

Page 2 of 5

File Number

Applicant Client File Number :

11672-46

SCHEDULE

BETWEEN:

Lamco Investments Ltd.

(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 FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00).

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 benefit of all covenants, stipulations and provisions contained in the Leases.

TO HOLD and receive the same unto Mortgagee.

1. 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 has delivered 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 it good right, full power 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 to 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, correct, 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 Mortgagee, nor shall it operate to make Mortgagee 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. Mortgagee 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 Mortgagee shall be applied on account of the monies from time to time due to Mortgagee 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 all in such order as Mortgagee may determine.
7. None of the rights or remedies of Mortgagee under the Mortgage shall be delayed or in any way prejudiced by these presents or by any act of Mortgagee pursuant thereto.
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 Mortgagee, 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 Mortgagee to execute and deliver at the expense of Mortgagor further assurances for the better and more perfectly assigning to Mortgagee of the Leases and any renewals thereof and the rents payable thereunder in the manner aforesaid as Mortgagee shall be reasonably advised and at the request of Mortgagee to assign to Mortgagee any Leases of part or parts of the Lands which may be created in the future and which Mortgagee 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 Mortgagee.
10. Mortgagor covenants to and with Mortgagee 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. Mortgagee 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 Mortgagee under this Assignment are cumulative and are not in lieu of, but are in addition to any other rights or remedies which Mortgagee shall have under the Mortgage or any other instrument constituting security for amounts owing to Mortgagee 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 Mortgagee agrees to execute such further re-assignments and discharges thereof and financing change statements with respect thereto as Mortgagor may reasonably request.

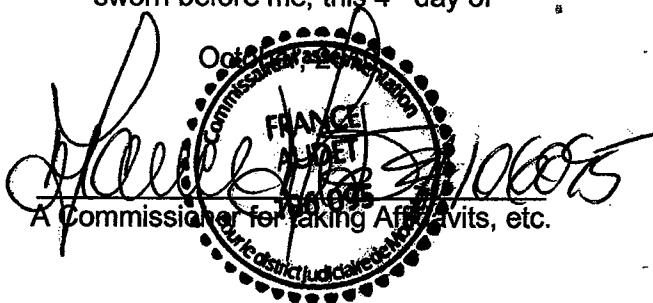
17. The gender and number used in this Assignment are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

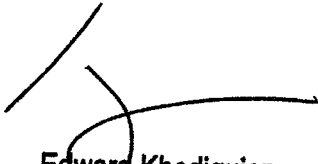
18. This Assignment may not be amended, modified or changed nor shall any waiver of any provisions hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

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.

W:\GGE Canada Equipment Financing - 116720046 - Ramada Inn London\Document\assignmentrents.doc

This is **Exhibit "E"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of




Edward Khediguian
Vice President, Franchise

ASSIGNMENT OF MANAGEMENT AND SERVICES AGREEMENTS

THIS AGREEMENT made as of February 24, 2005.

BETWEEN:

LAMCO INVESTMENTS LTD.

(the "Borrower")

OF THE FIRST PART

- and -

GE CANADA EQUIPMENT FINANCING G.P.

(the "Lender")

OF THE SECOND PART

WHEREAS:

- A. The Borrower owns a hotel located on the lands described in Schedule "A" hereto (the "Lands");
- B. The Borrower has applied for and the Lender has agreed to advance a loan on the terms and conditions set out in a loan agreement dated as of the date hereof (the "Loan Agreement") issued by the Lender in favour of the Borrower;
- C. The aforesaid loan is secured by documents described in the Loan Agreement, including a Charge/Mortgage of Land in the principal amount of FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00) dated the date hereof (the "Charge") creating a fixed charge on the Lands; and
- D. It is a condition of the Loan Agreement that the Borrower execute and deliver this Agreement to the Lender.

NOW THEREFORE:

In consideration of these presents and the sum of two (\$2.00) Dollars paid by the Lender to the Borrower, the receipt and sufficiency whereof is hereby acknowledged, the parties hereto agree each with the others as follows:

ARTICLE 1- INTERPRETATION

1.1 Definitions: In this Agreement, unless there is something in the subject matter or text inconsistent therewith or unless the context otherwise specified or requires, the following terms shall have the meanings herein specified:

- (a) "Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions means or refer to this agreement as amended from time to time and any agreement or instrument supplemental or ancillary hereto or in implementation hereof and the expressions "Article", "Section", "Subsection", "Paragraph" and "Subparagraph" followed by a number or letter mean and refer to the specified Article, Section, Subsection, Paragraph or Subparagraph of this Agreement.
- (b) "Hotel Business" means the business of operating a hotel on the Lands.
- (c) "Lands" means the lands and premises as more particularly described in Schedule "A" attached hereto.
- (d) "Management Agreements" means collectively all agreements, licenses, contracts, and other instruments relating to the management and operation of a hotel on the Lands including, without limitation, all services contracts for the Lands entered into or in effect from time to time.

- 2 -

- (e) "person" means an individual, partnership, corporation, trust or unincorporated organization and includes a government or agency or political subdivision thereof.

1.2 Interpretation Not Affected By Headings, Etc.: Grammatical variations of any terms defined herein have similar meanings; words importing the singular number shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neutral genders. The division of this Agreement into separate Articles, Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings and marginal notes and references are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Severability: If any covenant, obligation or agreement contained in this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation and agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

1.4 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

1.5 Binding on Successors, Etc.: This Agreement and everything herein contained shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Borrower and its successors and assigns.

1.6 Capitalized Terms: Unless otherwise indicated, the capitalized terms used in this Agreement but not specifically defined, shall have the same meanings as are ascribed to such terms in the Loan Agreement.

ARTICLE 2 - ASSIGNMENT, ETC.

2.1 Assignment: Upon and subject to the terms, conditions and provisions herein contained, the Borrower hereby unconditionally and irrevocably, assigns, transfers and sets over to and in favour of the Lender as and by way of a fixed and specific assignment, all of its right, title, estate and interest in, to, under and in respect of the Management Agreements, and each of them, and all benefit, power and advantage of the Borrower to be derived therefrom and all covenants, obligations, agreements, and undertakings of the parties thereunder and otherwise to enforce the rights of the Borrower thereunder in the name of the Borrower to be held by the Lender as additional security for the due payment of all monies due to the Lender under the Loan Agreement and the Charge and the due performance of the Borrower's obligations under the Loan Agreement and the Charge.

2.2 Performance of Obligations: The Borrower covenants to observe and perform or cause to be observed and performed, as and when required, all of its covenants, obligations, agreements and undertakings under all and each of the Management Agreements and will use its reasonable and best efforts to cause the other parties to each Management Agreement to observe and perform all of their covenants, obligations, agreements and undertakings thereunder.

2.3 No Liability: Nothing herein contained shall render the Lender liable to any person for the fulfilment or nonfulfilment of the obligations, covenants and agreements, including but not limited to the payment of any moneys thereunder or in respect thereto, of the Borrower under any Management Agreement and the Borrower hereby indemnifies and agrees to save and hold harmless the Lender from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever of any person arising directly or indirectly from or out of the Management Agreements except for those claims, demands, actions, causes of action, losses, suits, damages and costs resulting from the Lender's negligence or wilful misconduct.

2.4 Service, Registration: Upon and during the continuance of an Event of Default (as defined in the Loan Agreement), the Lender shall have the right to serve the present Agreement or notice thereof on any one or more of the other parties to the Management Agreements. The Lender shall also have the right at any time and without notice to the Borrower to cause the present Agreement or notice thereof to be registered or filed in any place or office where the Lender or its counsel deem advisable or necessary.

2.5 Attorney of the Assignor: The Lender, as attorney or agent of the Borrower and in its name, may, at any time and from time to time after the occurrence of an Event of Default and only for so long as the same exists, exercise any of the rights, powers, authority and discretion which under the terms of any Management Agreement could be exercised by the Borrower with respect to such Management Agreement.

2.6 Performance Until Default: Until an Event of Default shall have occurred, the Borrower shall be entitled to deal with the Management Agreements and enforce all of the benefits, advantages and powers thereunder as though this Agreement had not been made. Upon the occurrence of an Event of Default and only for so long as the same exists, the Lender, may, but shall not be obligated to, exercise all rights, powers, authority and discretion of the Borrower in respect of the Management Agreements in its place and stead, all of which is hereby consented to by the Borrower.

2.7 Copies: The Borrower will, forthwith after receipt of same, furnish to the Lender a copy of any notice, demand, claim or request given or required to be given to any other party or parties to any Management Agreement or received by the Borrower from any such party relating to any Management Agreement and shall, forthwith after execution thereof, deliver to the Lender a true copy of any Management Agreement entered into from time to time.

2.8 Bona Fides: The Borrower shall not execute or enter into any Management Agreement unless such Management Agreement is entered into in accordance with good business practice, is made in good faith and is in the best interests of the Hotel Business and is made on such terms as a prudent owner of comparable property would accept in the circumstances having regard to all relevant factors.

2.9 Consents: The Borrower represents and warrants to the Lender that none of the Management Agreements in existence on the date hereof (excluding service contracts) is incapable of assignment to the Lender in accordance with the provisions of this Agreement nor are any of the Management Agreements incapable of further assignment by the Lender or by any receiver or receiver and manager after an Event of Default, nor is the consent of any third party required for any such assignment, and the Borrower covenants and agrees with the Lender that, without the prior consent in writing of the Lender, no Management Agreements will be hereafter entered into by the Borrower which is not assignable or which is incapable of further assignment by the Lender or any receiver or receiver and manager after an Event of Default or which requires the consent of any third party to any such assignment. Notwithstanding the foregoing, at the request of the Lender at any time or from time to time the Borrower will cause any other party or all parties to an Management Agreement to consent to and acknowledge any or all of the rights of the Lender in and to such Management Agreements by virtue of this Agreement, in such form or forms as the Lender may reasonably require.

ARTICLE 3 - REPRESENTATIONS AND COVENANTS

3.1 Representations: The Borrower hereby represents and warrants to the Lender that:

- (a) the Borrower has not assigned, set over, transferred or granted a security interest in any of the Management Agreements or its rights thereunder other than to the Lender;
- (b) the Borrower has not performed any act or executed any other instrument which might prevent the Lender from operating under any of the terms and conditions of this Agreement or which would limit the Lender in any such operation except as aforesaid;
- (c) each Management Agreement, if any, is in full force and effect and unamended and there is no default existing thereunder by the Borrower, or to the best of the Borrower's knowledge, after having made due enquiry, by the other parties thereto;
- (d) there is no pending or threatened litigation, action, claim or fact known to the Borrower, and not disclosed to the Lender in writing which adversely affects or could so affect any Management Agreement or the rights of the Lender thereunder; and

- 4 -

- (e) the Borrower has good right, full power and absolute authority to enter into, execute and perform this Agreement.

3.2 Covenants: The Borrower hereby covenants and agrees with the Lender that:

- (a) it shall not, nor shall it agree to, without the prior consent of the Lender which consent may not arbitrarily withheld or delayed, terminate, forfeit, cancel, alter, amend or modify any Management Agreement in a manner which would adversely affect the interest of the Lender hereunder, nor shall it waive or agree to waive any failure of any party thereto to perform any obligation thereunder, or suffer or permit anything allowing any party thereto to terminate any Management Agreement, or consent to any assignment thereof by any party thereto, unless such termination, forfeiture, cancellation, alteration, amendment, modification, waiver or consent, as the case may be, is in accordance with good business practice, is made in good faith and is in the best interest of the Hotel Business and is made on such terms as a prudent owner of comparable property would accept in the circumstances having regard to all relevant factors;
- (b) it shall not sell, dispose, assign, charge, mortgage, set over, pledge, hypothecate or otherwise transfer all or part of any of the Management Agreements other than to the Lender nor shall it perform any act or execute any other instrument which might prevent the Lender from operating under any of the terms and conditions of this Agreement or which would limit the Lender in any such operation;
- (c) it shall from time to time and at all times hereafter upon written request so to do, make, do, execute and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be desirable in the opinion of the Lender or its counsel, for more effectually implementing and carrying out the true intent and meaning of this Agreement;
- (d) if so required, it will execute and deliver to the Lender specific assignments, in form satisfactory to the Lender and its counsel, to the Lender of its right, title, interest and benefit in and under specific Management Agreements; and
- (e) it shall notify the Lender immediately upon becoming aware of any material default, claim or litigation in respect to any Management Agreement.

ARTICLE 4 - DEFAULT

4.1 Rights of Assignee Upon Default: Whenever an Event of Default has occurred, without limiting the rights of the Lender under or pursuant to this Agreement, the Loan Agreement, the Charge or otherwise provided by law, and subject to the provisions of the Loan Agreement and the Borrower's rights to cure Events of Default thereunder, the Lender shall be entitled to enter into possession of the Lands and the Hotel Business or any part or parts thereof and appoint its agents to manage the Lands and the Hotel Business and pay such agents' charges for their services and charge the same to the account of the Borrower, and the Lender and any agents so appointed by the Lender shall have the authority:

- (a) in the name of the Borrower, to renew, amend or otherwise deal with any Management Agreement, or make other agreements in respect of the Lands and the Hotel Business or any part or parts thereof for such consideration and on such terms as it may deem appropriate;
- (b) in the name of the Borrower, to perform, at the Borrower's expense any and all obligations or covenants of the Borrower under the Management Agreements and the other parties to the Management Agreement of their obligations, covenants and agreements thereunder; and
- (c) to manage generally the Lands and the Hotel Business and deal with the Management Agreements to the same extent as the Borrower could do;

the whole without any liability or responsibility of any kind on the part of the Lender or its agents, except in the case of gross negligence or wilful misconduct by the Lender or those for whom it is in law responsible.

- 5 -

4.2 Exercise of Powers: Where any discretionary powers hereunder are vested in the Lender or its agents, the same may be exercised by an officer, investment manager or manager of the Lender or its appointed agents, as the case may be.

4.3 Notice: The Lender shall give the Borrower notice of the exercise of its remedies under this Agreement.

ARTICLE 5 - GENERAL

5.1 No Release: This Agreement shall remain in full force and effect without regard to, and the obligations of the Borrower or the other parties to the Management Agreements thereunder shall not be affected or impaired by:

- (a) any amendment, modification, replacement of or addition or supplement to the Loan Agreement, the Charge or any of the other security to be provided by the Borrower to the Lender pursuant to the terms of the Loan Agreement (the "Security");
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Loan Agreement, or the Charge or the Security;
- (c) any waiver, consent, extension, indulgence or other action, inaction or admission under or in respect of this Agreement, the Loan Agreement, the Charge or the Security;
- (d) any default by the Borrower under, or any invalidity or unenforceability of, or any limitation of the liability of the Borrower or on the method or terms of payment under, or any irregularity or other defect in the Loan Agreement, the Charge or the Security;
- (e) any merger, consolidation or amalgamation of the Borrower into or with any other person; or
- (f) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Borrower.

5.2 Termination of this Agreement: The Lender covenants and agrees with the Borrower that, upon payment in full of all amounts owing under or pursuant to the Loan Agreement, the Charge or the Security, this Agreement shall be and become fully ended and terminated and all right, title and interest in and with respect to all the Management Agreements assigned, transferred and set over by the Borrower hereunder shall revert to the Borrower and all covenants and agreements of the Borrower hereunder shall be at an end and the Lender shall, upon the written request of the Borrower and at the expense of the Borrower, execute such discharges, re-assignments and other instruments and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Agreement in the circumstances.

5.3 No Partnership: Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between the Borrower and the Lender, it being understood and agreed that none of the provisions herein contained or any acts of the Lender or of the Borrower, shall be deemed to create any relationship between the Lender and the Borrower other than the relationship of assignee and assignor.

5.4 Rights and Remedies and Cumulative: The rights or remedies given to the Lender hereunder shall be cumulative of and not substituted for any rights or remedies to which the Lender may be entitled under the Loan Agreement (unless the rights or remedies hereunder conflict with those contained in the Loan Agreement in which case the provisions of the Loan Agreement will govern), the Charge or the Security or at law and may be exercised whether or not the Lender has pursued or is then pursuing any other such rights and remedies.

5.5 Time of Essence: Time shall be of the essence of this Agreement.

- 6 -

5.6 Notices: Any notice to be made or given in connection with this Agreement shall be in writing and shall be made or be given if delivered by hand, mailed by registered, first class mail, postage prepaid, or sent by telecommunication addressed as follows:

In the case of the Lender:

GE Canada Equipment Financing G.P.
2300 Meadowvale Boulevard
Suite 111
Mississauga, Ontario
LSN 5P9

Attention: Desiree Lam
Tel: 905-858-4918
Fax: 905-858-6457

In the case of the Borrower:

817 Exeter Road, London, Ontario, N6E 1W1

Attention: Mohmud Jiواني

Tel: 519-681-4900
Fax: 519-681-5065

or such other address as the party to whom such notice is given shall previously have specified by notice in writing given in the manner aforesaid. Any such notice shall conclusively be deemed to have been made or given and received, if delivered, when delivered; if mailed, on the third business day following the day on which it was mailed; and, if sent by telecommunication, on the first business day following the day on which it was transmitted.

5.7 Waiver: No consent or waiver, express or implied, by the Lender to or of any breach or default by the Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the Borrower hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Borrower, or to declare the Borrower in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.


5.8 Amendments: This Agreement may not be modified or amended except with the written consent of the parties hereto.

5.9 Continuing Security: This Agreement and the rights and remedies it creates are a continuing agreement and security, and shall bind the parties until discharge of this Agreement as provided in Section 5.2 hereof.

5.10 After Acquired Property: The Borrower hereby covenants and agrees that if and to the extent that its right, title and interest in any Management Agreement is not acquired until after delivery of this Agreement, this Agreement shall nonetheless apply thereto and the security interest of the Lender hereby created shall attach to any such Management Agreement at the same time as the Borrower acquires right therein, without the necessity of any further assignment or other assurance.

IN WITNESS WHEREOF the Borrower has duly executed this Agreement as of date first above written.

LAMCO INVESTMENTS LTD.




By: 
Name: Mohmud Jiواني
Title: President

SCHEDULE "A"**(Legal Description of Lands)**

PIN 08485-0177 (LT), being Part of Lot 16, Concession 3, City of London.

W:\g\GE Canada Equipment Financing - 11672\0046 - Ramada Inn London\Document\Assignment MA v1.DOC

This is **Exhibit "F"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

  
A Commissioner for taking Affidavits, etc.


Edward Khediguian
Vice President, Franchise

General Security Agreement

TO: GE Canada Equipment Financing G.P.
2300 Meadowvale Blvd., Suite 111
Mississauga, Ontario L5N 5P9
Attention: Desiree Lam
Facsimile: (905) 858-4990

RECITALS:

Lamco Investments Ltd. (the "Debtor") hereby enters into this General Security Agreement with **GE Canada Equipment Financing G.P.** ("GE") to secure the payment and performance of the Liabilities, as hereinafter defined. The Debtor has agreed to grant to GE security interests in respect of the Collateral, as defined herein, in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the Debtor, the Debtor agrees with and in favour of GE as follows:

1. **Definitions.** In this Agreement:

"Accessions", "Account", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Money" and "Proceeds" and any other terms not expressly defined herein shall have the meanings given to them in the PPSA unless the context otherwise requires.

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

"Collateral" means all of the present and future undertakings, Personal Property (including without limitation any Personal Property that may be described in Schedule "B" to this Agreement or any other schedules, documents or listings that the Debtor may from time to time sign and provide to GE in connection with this Agreement) and real property (including without limitation the lands municipally known as 817 Exeter Road, London, Ontario any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to GE in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof (including without

- 2 -

limitation, any insurance proceeds in respect of any of the Collateral), wherever located (including without limitation when in transit to and from Debtor's premises), including, without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Debtor:

- (a) all Inventory of whatever kind and wherever situate;
- (b) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, chattels and vehicles of whatsoever nature or kind;
- (c) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including Securities, mortgages, bills, notes, Instruments, letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
- (d) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (e) all contractual rights and insurance claims and all goodwill, patents, trademarks, trade names, copyrights and other intellectual property and intangibles and Intellectual Property Rights;
- (f) all monies other than trust monies lawfully belonging to others; and
- (g) all property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any leases or agreements therefor.

"Contracts" means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement.

"Default" means the occurrence of any one of the Events of Default referred to in Section 8 hereof.

"Encumbrances" means all security interests, pledges, mortgages, hypothecs, liens, claims, charges or other encumbrances of whatever kind or nature, regardless of form and whether consensual or arising by law, that secure the payment of any indebtedness or liability or the performance of any obligation.

- 3 -

"Intellectual Property Rights" means all industrial and intellectual property rights, including copyrights, patents, trademarks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights and any and all supplier warranties and rights in or to software and licences.

"Liabilities" means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to GE, whether as principal or surety, together with all expenses (including reasonable legal fees on a solicitor and client basis) incurred by GE, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by GE in respect of such indebtedness, liabilities and obligations, and interest thereon, and any unpaid balance thereof.

"Loan Agreement" means the loan agreement dated as of February 24, 2005, among the Debtor, as borrower, and GE, as lender and Mohmud Jiواني, Laila Jiواني and 1400717 Ontario Limited as guarantors, as amended, renewed, supplemented, restated or replaced from time to time.

"PPSA" means the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

"Permits" means all permits, licences, authorizations, approvals, franchises including, without limitation, any franchise agreements, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business.

"Person" will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual.

"Personal Property" means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities.

"Receiver" means a receiver, a manager or a receiver and manager.

"Securities" means the plural of the term "security", as defined in the PPSA.

"Security Interest" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security

- 4 -

agreement or arrangement creating in favour of any creditor a right in respect of a particular property.

2. **Grant of Security Interest.** As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor hereby mortgages, charges, transfers and assigns to GE and grants to GE, by way of a mortgage, charge, assignment and transfer, a security interest in the Collateral.

3. **Limitations on Grant of Security Interest.** If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of or cause acceleration under such Contract, Intellectual Property Right or Permit, then the applicable Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of GE and, on exercise by GE of any of its rights under this Agreement following Default, assigned by the Debtor as directed by GE. The Security Interests created by this Agreement do not extend to any personal property held in trust by the Debtor and lawfully belonging to others. In addition, the Security Interests created by this Agreement do not extend to the last day of the term of any lease or agreement for lease of real property. The Debtor shall stand possessed of such last day in trust for GE or for such person as GE may direct and, on the exercise by GE of any of its rights under this Agreement following Default, the Debtor shall assign and dispose of such term as directed by GE.

4. **Attachment; No Obligation to Advance.** The Debtor represents, acknowledges and warrants that value has been given by GE to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and GE have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of funds shall oblige GE to advance any funds or any additional funds.

5. **Representations and Warranties.** The Debtor represents, acknowledges and warrants to GE that:

(a) **Places of Business, Name, Location of Collateral.** The Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, are set out in Schedule "A" to this Agreement. The Debtor's full legal name, and any other name under which it conducts its business, are set out in Schedule "A" to this Agreement. The location of all other existing places where the Debtor carries on business or keeps tangible Personal Property or any of the Collateral, the location of all jurisdictions in which account debtors of the Debtor are located, and the location of all real property owned by the Debtor, are set out in Schedule "A" to this Agreement.

(b) **Ownership and Encumbrances.** The Collateral is genuine and owned by the Debtor free and clear of all Encumbrances.

- 5 -

(c) Amount of Accounts. The amount represented by the Debtor to GE from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to GE at that time, will be owed free of any dispute, set-off or counterclaim.

(d) Consents. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

(e) Motor Vehicles. A description of all motor vehicles and other "serial number" goods (i.e. trailers, mobile homes, aircraft, aircraft engines and vessels) (including vehicle identification numbers) owned by the Debtor is set out in Schedule "A" to this Agreement.

(f) Intellectual Property Rights. All Intellectual Property Rights owned by the Debtor, and all rights of the Debtor to the use of any Intellectual Property Rights, are described in Schedule "A" to this Agreement. To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

(g) Nature of the Collateral. The Collateral is used only for commercial, industrial or business purposes and none of the Collateral is used for personal, family household or farming purposes.

6. Survival of Representations and Warranties. All agreements, representations, warranties and covenants made by the Debtor in this Agreement are material, will be considered to have been relied on by GE and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of GE and any disposition or payment of the Liabilities until repayment and performance in full of the Liabilities and termination of all rights of the Debtor that, if exercised, would result in the existence of Liabilities.

7. Covenants. The Debtor covenants and agrees with GE that until the repayment and performance in full of the Liabilities:

(a) No Sale. The Debtor shall not, without the prior written consent of GE, which consent is not to be unreasonably withheld, sell or dispose of or abandon possession of any of the Collateral except in the ordinary course of business and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for GE and forthwith pay over the same to GE upon request; provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of business.

- 6 -

(b) No Encumbrances. Except as otherwise permitted under the Loan Agreement, the Debtor shall not, without the prior written consent of GE, create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security any of the Collateral except to GE.

(c) Location and Maintenance of Collateral. The Debtor shall not part with possession of any of the Collateral (except for the sale of Inventory in the ordinary course of business) and shall not remove any of the Collateral from the locations identified in Schedule "A" hereto except in the ordinary course of business. The Debtor shall maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose. The Debtor shall ensure that the Collateral does not become an accession to any Personal Property not subject to this Agreement, or become affixed to any real property, in circumstances where GE may lose its priority.

(d) Preserve Collateral. The Debtor shall obtain, observe and perform all its obligations under leases, licenses and agreements, preserve its rights, powers, licenses, privileges, franchises and goodwill, and comply with all applicable laws, rules and regulations in a proper and efficient manner so as to preserve and protect the Collateral, the Security Interests created by this Agreement and the business and undertaking of the Debtor. The Debtor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable. The Debtor shall notify the Lender promptly of any change in the information set out in Schedule "A".

(e) Insurance. The Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as GE may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to GE. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to GE as its interest hereunder may appear and shall, if required, furnish GE with certificates or other evidence satisfactory to GE of compliance with the foregoing insurance provisions. In the event that the Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, GE may make such payments to be repayable by the Debtor on demand and any such payments made by GE shall be secured hereby.

(f) Delivery of Certain Collateral. Promptly upon request from time to time by GE, the Debtor will deliver (or cause to be delivered) to GE, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as GE may request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as GE may specify in its request.

- 7 -

(g) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts.

(h) Further Identification of Collateral. The Debtor will promptly furnish to GE such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as GE may from time to time request. The Debtor shall notify GE promptly of any change in the information set out in Schedule "A".

(i) Right of Inspection. GE may, at all times during normal business hours on 48 hours notice, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. GE may also, without charge on 48 hours notice, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide GE with such clerical and other assistance as may be reasonably requested by GE to exercise any of its rights under this paragraph.

(j) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (i) below or in the Loan Agreement, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or GE, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or GE.

(k) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.

(l) Dealings with Account Debtors. The Debtor agrees that GE may, at any time after an Event of Default, notify any Account debtor of the Debtor of the Security Interests, require such Account debtor to make payment to GE, take control of any Proceeds of the Collateral and may hold all amounts received from any Account debtor and any Proceeds as part of the Collateral and as security for the Liabilities.

(m) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as GE may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests created by this Agreement).

- 8 -

(n) Delivery of Agreements re Intellectual Property Rights. The Debtor will promptly, following demand from time to time by GE, authorize, execute and deliver any and all agreements, instruments, documents and papers that GE may request to evidence GE's Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(o) Notices. The Debtor will advise GE promptly, in reasonable detail, of (i) any Security Interest (other than the Security Interests created by this Agreement and any Security Interest permitted under the Loan Agreement) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral except where such change occurs in the ordinary course of business, (v) any addition of new business or storage locations where the Collateral is located; (vi) other than in the ordinary course of business, any acquisition of personal property or real property by the Debtor, (vii) any change in the name of the Debtor or any amendments to the Debtor's articles of incorporation, (viii) any merger or amalgamation of the Debtor with any other Person, (ix) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (x) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (ix) above unless all filings have been made and all other actions taken that are required in order for GE to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

(p) Payment of Expenses; Indemnification. The Debtor will pay on demand, and will indemnify and save GE harmless from, any and all liabilities, costs and reasonable expenses (including reasonable legal fees and reasonable expenses on a solicitor and own client basis and any sales, goods and services or other taxes, rates, levies or assessments payable to any governmental authority with respect to any such liabilities, costs and reasonable expenses) (i) incurred by GE in the preparation, registration, administration or enforcement of this Agreement or in the exercise of any rights or remedies under this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by GE in performing or observing any of the other covenants of the Debtor under this Agreement.

8. Events of Default. The Debtor shall be in default under this Agreement upon the occurrence of (i) an Event of Default pursuant to (and as defined in) the Loan Agreement; (ii) a material breach or default of any of the terms, conditions, covenants or provisions of this Agreement; (iii) any representation or warranty contained herein is or becomes untrue or incorrect in a material fashion, and the Borrower has failed to correct this default within 30 days of notice from GE; or (iv) a breach, default of any other material debt obligation of the Debtor or any material contract to which the Debtor is a party, including without limitation, any franchise or license agreement material to the Debtor's business.

- 9 -

9. **Right to Waive.** GE may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by GE to be observed or performed by the Debtor; provided that no act or omission by GE in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.
10. **Rights on Default.** Subject to all cure periods to which the Debtor is or may be entitled pursuant to the Loan Agreement, on Default the security constituted by this Agreement will become enforceable, and GE may, subject to applicable law, personally or by agent, at such time or times as GE in its discretion may determine, do any one or more of the following:
- (a) **Acceleration.** Declare any or all Liabilities to be immediately due and payable.
 - (b) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to GE at law or in equity.
 - (c) **Demand Possession.** Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by GE to be assembled and made available and/or delivered to GE at any place designated by GE.
 - (d) **Take Possession.** Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
 - (e) **Deal with Collateral.** Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as GE may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.
 - (f) **Carry on Business.** Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.
 - (g) **Enforce Collateral.** Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as GE deems advisable.
 - (h) **Dispose of Collateral.** Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of GE or elsewhere, on such terms and conditions as GE may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

- 10 -

- (i) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.
- (j) Purchase by GE. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to GE, GE may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.
- (k) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to GE and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to GE and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as GE deems appropriate in the circumstances.
- (l) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of GE or its nominee, disclosing that the Securities are subject to the Security Interests arising under this Agreement.
- (m) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if GE were the absolute owner of such Securities.
- (n) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral. The Debtor will immediately on demand reimburse GE for all such payments.
- (o) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Security Interests on any Collateral (in priority to the Security Interests created by this Agreement or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse GE for all such borrowings.
- (p) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of GE under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by GE will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of GE.
- (q) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

- 11 -

(r) Consultants. Require the Debtor to engage a consultant of GE's choice to assist it in all respects of the operation of the hotel business located on the lands described in Schedule "A" or engage a consultant on its own behalf, such consultant to receive the full co-operation and support of the Debtor and its employees, including unrestricted access to the premises, books and records of the Debtor; all fees and reasonable expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to GE and to disclose to GE any and all information obtained in the course of such consultant's employment.

Subject to the cure periods provided to the Debtor pursuant to the Loan Agreement, GE may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of GE to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by GE which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

- (i) the Collateral may be disposed of in whole or in part;
- (ii) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (iii) any purchaser or lessee of the Collateral may be a customer of GE;
- (iv) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as GE, in its sole discretion, may deem advantageous; and
- (v) GE may establish an upset or reserve bid or price in respect of the Collateral.

In the event, however, that the Debtor shall reinstate this Agreement completely in good standing, having complied with all of the terms, covenants and conditions of this Agreement, then GE shall within one (1) week after written demand redeliver possession of the Collateral to the Debtor and the Debtor shall remain in the possession of the Collateral unless and until another default occurs at which time GE at GE's option may again take possession of the Collateral under the authority of this Agreement.

11. Restriction on Debtor. Upon GE taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor with respect to the Collateral shall, to the extent

- 12 -

permitted by law, be suspended unless specifically continued by the written consent of GE; however, all other powers, functions, rights and privileges of the Debtor or any officer, director, servant or agent of the Debtor shall be unaffected by such events.

12. **Grant of Licence.** For the purpose of enabling GE to exercise its rights and remedies under Section 10 when GE is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to GE an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, it being understood that such licence will provide for reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.
13. **Sale of Securities.** GE is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and GE will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.
14. **Application of Proceeds.** All Proceeds of the Collateral received by GE or a Receiver may be applied to discharge or satisfy any reasonable expenses (including the Receiver's remuneration and other expenses of enforcing GE's rights under this Agreement), Security Interests in favour of Persons other than GE, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by GE or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of GE, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as GE considers appropriate and thereafter will be accounted for as required by law.
15. **Continuing Liability of Debtor.** The Debtor will remain liable for any Liabilities (and any deficiency thereof) that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.
16. **Set-Off.** The Debtor grants to GE the right to set off against any and all Accounts, credits or balances maintained by it with GE, the aggregate amount of any of the Liabilities when

- 13 -

the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.

17. **GE's Appointment as Attorney-in-Fact.** The Debtor constitutes and appoints GE and any officer or agent of GE, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in GE's discretion after a Default and only for so long as any Default exists, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released. Nothing in this section affects the right of GE as secured party or any other Person on GE's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as GE or such other Person considers appropriate.
18. **Performance by GE of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, GE may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The reasonable expenses of GE incurred in connection with any such performance or compliance will be payable by the Debtor to GE immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.
19. **Interest.** If any amount payable to GE under this Agreement is not paid when due, the Debtor will pay to GE, immediately on demand, interest on such amount from the date due until paid, at an annual rate equal at all times to the highest Interest Rate (as defined in the Loan Agreement) from time to time. All amounts payable by the Debtor to GE under this Agreement, and all interest on all such amounts, compounded semi-annually on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.
20. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.
21. **Rights of GE; Limitations on GE's Obligations.**
- (a) **Limitations on GE's Liability.** GE will not be liable to the Debtor or any other person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither GE, a Receiver nor any agent of

- 14 -

GE (including, in applicable jurisdictions, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither GE nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of GE or any Receiver) caused for any reason other than the gross negligence or wilful misconduct of GE or such Receiver.

(b) Debtor Remains Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. GE will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by GE of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), GE will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. GE hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by GE at any time after a Default and only for so long as any Default exists, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to GE if required, in a special collateral account maintained by GE, and until so deposited, will be held by the Debtor in trust for GE, segregated from other funds of the Debtor. All such amounts while held by GE (or by the Debtor in trust for GE) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If a Default has occurred and is continuing GE may apply all or any part of the amounts on deposit in said special collateral account on account of the Liabilities in such order as GE may elect. At GE's request, the Debtor will deliver to GE any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. GE will have the right to analyze and verify the Accounts in any manner and through any medium that it considers advisable, and the Debtor will furnish all such assistance and information as GE may require in connection therewith. GE may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time,

- 15 -

upon GE's request and at the expense of the Debtor, the Debtor will furnish to GE reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

22. **Dealings by GE.** GE will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as GE may consider desirable. GE may grant extensions of time, renewals and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as GE may see fit, all without prejudice to the Liabilities or to the rights and remedies of GE under this Agreement. The powers conferred on GE under this Agreement are solely to protect the interests of GE in the Collateral and will not impose any duty upon GE to exercise any such powers.

23. **Communication.** Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or registered or certified mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or GE set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by registered or certified mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and GE may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

24. **Release of Information.** The Debtor authorizes GE to provide a copy of this Agreement and such other information as may be requested of GE by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

25. **No Obligation.** Nothing herein shall obligate GE to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to GE.

26. **Waivers and Indemnity.** To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against GE arising out of the exercise by GE or any Receiver of any rights or remedies under this Agreement or at law, except where such claims, damages or demands are caused solely by GE's gross negligence or wilful misconduct, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any

- 16 -

"seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by GE. GE will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of GE, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by GE of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which GE would otherwise have on any future occasion. Neither the taking of any judgement nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. The Debtor agrees to indemnify GE from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, reasonable expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of GE or any of its agents or employees) which may be imposed on, incurred by, or asserted against GE and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

27. **Environmental License and Indemnity.** The Debtor hereby grants to GE and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants and of the landlord, to enter, upon 48 hours notice, of the location(s) set out in Schedule "A" to conduct audits, testing and monitoring with respect to hazardous substances and to remove and analyze any hazardous substance at the cost and expense of the Debtor (which cost and expense will form part of the Liabilities and will be payable immediately on demand and secured by the Security Interests created by this Agreement). The Debtor will indemnify GE and hold GE harmless against and from all losses, costs, damages and reasonable expenses which GE may sustain, incur or be or become liable at any time whatsoever for by reason of or arising from the past, present or future existence, clean-up, removal or disposal of any hazardous substance on or about any property owned or occupied by GE or compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any premises owned or occupied by the Debtor or other affected lands or property. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

28. **Amalgamation.** The Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

- 17 -

29. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of GE to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such province. It is hereby agreed that *The Limitations of Civil Rights Act of the Province of Saskatchewan*, or any provision thereof, shall have no application to this Agreement or any agreement or instrument renewing or extending or collateral to this Agreement.
30. **Interpretation.** Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of GE or is to be acceptable to GE, such consent, approval or determination of acceptability will be made by GE acting reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.
31. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, GE and its successors and assigns. GE may assign, transfer and deliver to any transferee any of the Liabilities or any security or any documents or instruments held by GE in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Liabilities; and thereafter GE shall be fully discharged from all responsibility with respect to the Liabilities and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of GE under such security, documents or instruments but GE shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of GE.
32. **Acknowledgement of Receipt/Waiver.** The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

- 18 -

33. **Paramountcy.** If a conflict shall exist between the terms and conditions of this Agreement and the terms and conditions of the Loan Agreement, the terms and conditions of the Loan Agreement shall prevail.

34. **Additional Security.** This General Security Agreement in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by GE or existing at law, in equity or by statute.

35. **Headings.** The headings in this General Security Agreement are included herein for convenience of reference only, and shall not constitute a part of this General Security Agreement for any other purpose.

36. **Joint and Several Liability.** If more than one person executes this Agreement as Debtor, their obligations hereunder shall be joint and several and, where the context so requires, each reference in this Agreement to "Debtor" shall include reference to any one or more persons and the acts or omission of any such person or persons shall bind them all.

This Agreement was executed by the Debtor as of the 24th day of February, 2005.

Address: 1248 Lakeshore Road West
Oakville, Ontario
L6L 5J3
Attention: Mohmud Jiwani
Fax Number: 905-842-0086

LAMCO INVESTMENTS LTD.

Per: 

Name: Mohmud Jiwani

Title: President

I have the authority to bind the Corporation.

SCHEDULE "A"**Principal Place of Business and Chief Executive Office (Paragraph 5(a))**

1525 Robson Street, Vancouver, British Columbia, V6G 1C3

Location of Books and Records (Paragraph 5(a))

1525 Robson Street, Vancouver, British Columbia, V6G 1C3
817 Exeter Road, London, Ontario, N6E 1W1
1248 Lakeshore Road West, Oakville, Ontario, L6L 5J3

Legal and Other Names of Debtor (Paragraph 5(a))

Lamco Investments Ltd.

Locations of Collateral (Paragraph 5(a))

1525 Robson Street, Vancouver, British Columbia, V6G 1C3
817 Exeter Road, London, Ontario, N6E 1W1
1248 Lakeshore Road West, Oakville, Ontario, L6L 5J3

Jurisdictions of Account Debtors (Paragraph 5(a))

Ontario

Locations of Real Property (Paragraph 5(a))

817 Exeter Road, London, Ontario, N6E 1W1

Descriptions of Motor Vehicles and Other Serial Number Goods (Paragraph 5(c))

N/A.

Intellectual Property Rights (Paragraph 5(f))

Right to use the trademark "Ramada Inn" and related trademarks pursuant to a Franchise Agreement

- 2 -

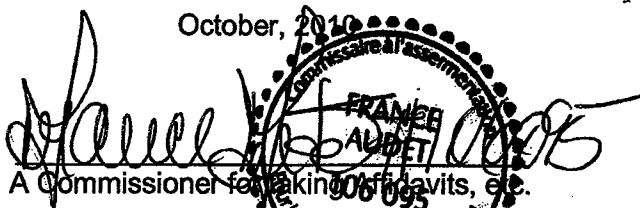
SCHEDULE "B"

All present and after-acquired equipment, machinery, furniture and fixtures, at the location(s) set out in Schedule "A", wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and all spare parts, replacements, substitutions, exchanges and trade-ins therefore and all proceeds relating thereto and all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities.

W:\g\GE Canada Equipment Financing - 11672\0046 - Ramada Inn London\Document\GSA.doc

This is **Exhibit "G"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2010


A Commissioner for taking affidavits, etc.



Edward Khediguian
Vice President, Franchise



GUARANTEE AND INDEMNITY

TO: GE Canada Equipment Financing G.P. ("GE Canada")

In consideration of the premises and the covenants and agreements herein contained, the sum of \$1.00 now paid by GE Canada to MOHMUD JIWANI and LAILA JIWANI (collectively the "Guarantors") and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantors jointly and severally covenant and agree with GE Canada as follows:

1. **INTERPRETATION** Wherever throughout this Guarantee, the Guarantors or GE Canada or LAMCO INVESTMENTS LTD. (hereinafter called the "Obligor") are mentioned or referred to, such mention or reference shall extend to their respective successors and assigns, as the case may be. Reference to the term "Obligations" herein shall be to any and all obligations from time to time owing by the Obligor to GE Canada whether under a commitment letter, loan agreement, promissory note, mortgage, assignment of rents, security agreement, chattel mortgage, hypothec, pledge, debenture or any other instrument or document related thereto, whether existing now or arising hereafter, and any modifications, extensions or renewals thereof from time to time (hereinafter singularly or collectively called "Finance Instruments") between GE Canada and the Obligor and whether any such Finance Instrument is executed concurrently herewith or at any time in the future. For greater certainty, the term "Finance Instruments" shall include a loan agreement dated as of February 24, 2005 among the Obligor, as borrower, and GE Canada, as lender, as amended, renewed, supplemented, restated or replaced from time to time (the "Loan Agreement").
2. **GUARANTEE**
 - 2.1 **Guarantee** The Guarantors hereby irrevocably and unconditionally guarantee and covenant with GE Canada as principal debtors of GE Canada and not merely as sureties, that the Obligor will duly and punctually perform all of the Obligations, and pay or cause to be paid to GE Canada the principal of and interest on the Finance Instruments evidencing or securing the Obligations (including, in case of default, interest on the amount in default) as and when the same becomes due and payable, whether by lapse of time, by extension, or upon a declaration or otherwise according to the terms of the Finance Instruments and all other moneys owing on or under the Finance Instruments or in any way relating thereto including without limitation, all legal fees and expenses, service charges and other costs and expenses. The liability of the Guarantors hereunder for the Obligations shall be unlimited (except as herein provided) and shall include interest, fees, costs or expenses (including, without limitation, legal fees and expenses) which may now or hereafter accrue or be incurred with respect to such Obligations and any fees, costs or expenses (including without limitation, legal fees and expenses) that may be incurred by GE Canada by reason of Guarantors' default under this Guarantee. If and when the Property (as defined in the Loan Agreement) achieves a cumulative 1.40 debt service coverage ratio for a full 12 month period measured collectively and not by individual month, this guarantee shall be amended such that the Guarantors' liability will be limited to the maximum amount of 66.67% of the Loan Amount (as defined in the Loan Agreement). If and when the Property (as defined in the Loan Agreement) achieves a cumulative 1.40 debt service coverage ratio for a full 24 month period, with each 12 month period measured collectively and not by individual month, this guarantee shall be amended such that the Guarantors' liability will be limited to the maximum amount of 33.33% of the Loan Amount (as defined in the Loan Agreement). If and when the Property (as defined in the Loan Agreement) achieves a cumulative 1.40 debt service coverage ratio for a full 36 month period, with each 12 month period measured collectively and not by individual month, this guarantee shall be thereupon automatically released and discharged by the Lender and the Lender agrees to execute such releases, discharges and further assurances as may be reasonably requested by the Guarantors in such regard.
 - 2.2 **Terms of the Finance Instruments** The Guarantors hereby consent to and approve the terms of the Finance Instruments; the guarantee and the agreements of the Guarantors herein contained shall take effect and shall be and are hereby declared to be binding upon the Guarantors notwithstanding any defect in or omission from the Finance Instruments or any non-registration or non-filing or defective registration or filing of any Finance Instruments or notice of the interest of GE Canada created thereby or by reason of any failure of the security intended to be created by the Finance Instruments or pursuant thereto.
 - 2.3 **Guarantee Absolute** The liability of the Guarantors hereunder shall be absolute and unconditional and shall not be affected by:
 - a) any lack of validity or enforceability of any agreements between the Obligor and GE Canada; any change in the time, manner or place of payment or in any other term of such agreements or the failure on the part of the Obligor to carry out any of its obligations under such agreements;
 - b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
 - c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Obligor, GE Canada or any party to any agreement to which GE Canada is a party;
 - d) any lack or limitation of power, incapacity or disability on the part of the Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Obligor in its obligations to GE Canada; or
 - e) any other law, regulation or other circumstance which might otherwise constitute a discharge of the Obligor in respect of any or all of the Obligations.

The Guarantors shall be held and bound to GE Canada as principal debtors, and not as sureties, in respect of the payment of any or all of the Obligations. All amounts payable to GE Canada shall be paid to GE Canada forthwith after demand therefore as provided herein.
 - 2.4 **No Waiver** The Guarantors hereby agree that their obligations hereunder shall be unconditional and no waiver by GE Canada of any of its rights hereunder or under the Finance Instruments and no action by GE Canada to enforce any of its rights hereunder or under the Finance Instruments or failure to take, or delay in taking any such action shall affect any other obligation of the Guarantors hereunder.
3. **INDEMNITY** Each of the Guarantors also covenants and agrees with GE Canada that it will at all times and from time to time hereafter, indemnify and keep indemnified and save harmless GE Canada from any and all losses, costs, damages and expenses, including legal fees and disbursements and the costs of all distresses, actions, proceedings, claims and demands incurred or made by GE Canada if GE Canada does not receive payment of all amounts due and owing under the Finance Instruments or if the Obligor defaults in the payment of any instalment payable or in the performance of the Obligations under the Finance Instruments which, if the Finance Instruments were in full force and effect and good standing, would be payable or required to be performed under the Finance Instruments.
4. **DEALINGS WITH OBLIGOR AND OTHERS**
 - 4.1 **No Release** The liability of the Guarantors hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by GE Canada in connection with any duties or liabilities of the Obligor to GE Canada of any security thereof including any loss of or in respect of any security received by GE Canada from the Obligor or others. GE Canada, without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantors' liability hereunder, may:
 - a) grant time, renewals, extensions, indulgences, releases, waivers and discharges to the Obligor;
 - b) grant substitutions for the Obligations or any part thereof or any agreement related thereto;
 - c) take or abstain from taking securities or collateral from the Obligor or from perfecting securities or collateral of the Obligor;
 - d) accept compromises from the Obligor;
 - e) apply all money at any time received from the Obligor or from securities upon such part of the Obligations as GE Canada may see fit or change any such application in whole or in part from time to time as GE Canada may see fit;
 - f) amend any of the Finance Instruments; or
 - g) otherwise deal with the Obligor and all other persons and securities as GE Canada may see fit.
 - 4.2 **No Exhaustion of Remedies** GE Canada shall not be bound or obligated to exhaust its recourse against the Obligor or other persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 6) before being entitled to demand payment from the Guarantors hereunder. The obligations of each of the Guarantors hereunder are joint and several with those of the Obligor and any other guarantor, security or other person liable in any way for the Obligations. This Guarantee is in addition and not in substitution for any other guarantee, by whomsoever given, at any time held by GE Canada, and without prejudice to any other security, by whomsoever given, at any time held by GE Canada, and GE Canada shall be under no obligation to marshal in favour of the Guarantors any such security or any of the funds or assets GE Canada may be entitled to receive or have a claim upon.
 - 4.3 **Conclusive Statement** Any account settled or stated in writing by or between GE Canada and the Obligor shall be *prima facie* evidence that the balance or amount thereof appearing due to GE Canada is so due.
 - 4.4 **No Set-Off** The Guarantors shall not claim any set-off or counterclaim against the Obligor in respect of any liability of the Obligor to the Guarantors.
5. **CONTINUING GUARANTEE**
 - 5.1 **Continuing Guarantee** This Guarantee shall be a continuing guarantee, notwithstanding any extensions, modifications, renewals or indulgences with respect to, or substitutions for, the Obligations or any part thereof, and shall remain in full force and effect until the Obligations are performed and paid in full. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or terminated or must otherwise be returned by GE Canada upon the occurrence of

any action or event including the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though such payment had not been made.

6. DEMAND FOR PAYMENT

6.1 Demand for Payment GE Canada shall be entitled to make demand upon the Guarantors at any time upon a default in payment of any amount owing by the Obligor to GE Canada and upon such default GE Canada may treat all Obligations as due and payable and may forthwith collect from the Guarantors the total amount guaranteed hereunder. The Guarantors shall make payment to or performance in favour of GE Canada of the total amount guaranteed hereunder forthwith after demand thereof is made to the Guarantors.

6.2 Interest The Guarantors shall pay interest to GE Canada at the highest Interest Rate (as defined in the Loan Agreement) per annum as applicable from time to time under the Loan Agreement on the unpaid portion of all amounts payable by the Guarantors under this Guarantee, such interest to be calculated daily and compounded semi-annually from the date of demand by GE Canada on the Guarantors; provided that there shall be no duplication of interest payable on the Loan (as defined in the Loan Agreement).

7. ASSIGNMENT, POSTPONEMENT AND SUBROGATION

7.1 Assignment and postponement All debts and liabilities, present and future, of the Obligor to the Guarantors are hereby assigned to GE Canada and postponed to the Obligations, and all money received by the Guarantors in respect thereof shall be received in trust for GE Canada and forthwith upon receipt shall be paid over to GE Canada, the whole without in any way lessening or limiting the liability of the Guarantors hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantors under this Guarantee has been discharged or terminated and, in the case of the postponement, until payment in full to GE Canada of all obligations of the Guarantors under this Guarantee.

7.2 Subrogation The Guarantors will not exercise any rights which they may acquire by way of subrogation under this Guarantee and indemnity, by any payment made hereunder or otherwise, until all Obligations shall have been paid and performed in full. If any amount shall be paid to the Guarantors on account of such subrogation rights at any time when all the Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of GE Canada and shall forthwith be paid to GE Canada to be credited and applied upon the Obligations. If (i) the Guarantors perform or make payment to GE Canada of all amounts owing by the Guarantors to GE Canada under this Guarantee and (ii) the Obligations are performed and paid in full, GE Canada will, at the Guarantors' request and at the Guarantors' expense, execute and deliver to the Guarantors appropriate documents, without recourse and without representation and warranty, necessary to evidence the transfer by subrogation to the Guarantors of an interest in the Obligations and any security held therefor resulting from such performance or payment by the Guarantors.

8. COVENANTS OF THE GUARANTORS

Each of the Guarantors hereby represents, covenants and warrants that:

- a) if the Guarantor is a corporation, the making and performance of this Guarantee have been duly authorized by all necessary corporate actions on the part of the Guarantor, do not require any shareholders' approval, and will not violate any provisions of that Guarantor's incorporating documents or by-laws or any law, rule or regulation or result in the breach of, constitute a default under, contravene any provisions of or result in the creation of any lien, charge, encumbrance or security interest upon any property or assets of that Guarantor pursuant to any of that Guarantor's stocks, bonds, notes or debentures outstanding, or any agreement, indenture or other instrument to which that Guarantor is a party or by which that Guarantor or its property may be bound or affected; and
- b) this Guarantee constitutes a legal, valid and binding obligation of the Guarantors in accordance with the terms hereof.
- c) there is no pending or, to the best of the knowledge of the Guarantors, threatened action or proceeding affecting the Guarantors or, if the Guarantors are a corporation, any of its subsidiaries before any court, governmental agency or arbitrator, which would materially adversely affect the legality, validity or enforceability of this Guarantee.

9. GENERAL

9.1 Waiver of Notice of Acceptance Each of the Guarantors waives notice of acceptance of this Guarantee and of the extension or continuation of the Obligations or any part thereof. The Guarantors further waive presentment, protest, notice, demand or action in respect of the Obligations or any part thereof, including any right to require GE Canada to sue the Obligor, any other Guarantors or any other person obligated with respect to the Obligations or any part thereof, or otherwise to enforce payment thereof against any collateral securing the Obligations or any part thereof. Without limiting the generality of the foregoing, the Guarantors are jointly and severally liable with the Obligor and any other Guarantors for the due and punctual payment and performance of the Obligations, the Guarantors hereby waiving the benefit of division and discussion.

9.2 Benefit of the Guarantee This Guarantee shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Guarantors and GE Canada.

9.3 Entire Agreement This Guarantee, the Loan Agreement and the Commitment Letter (as defined in the Loan Agreement) constitute the entire agreement between GE Canada, the Obligor and the Guarantors with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, expressed, implied or statutory, between such parties other than as expressly set forth in this Guarantee, the Loan Agreement and the Commitment Letter (as defined in the Loan Agreement).

9.4 No Waiver, Remedies No failure on the part of GE Canada to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

9.5 Severability If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

9.6 Notices Any demand, notice or other communications (hereinafter in this Section 9.6 referred to as a "Communication") to be given in connection with this Guarantee shall be given in writing and may be given by personal delivery or by registered mail addressed to the recipient as follows:

To GE Canada: 2300 Meadowvale Boulevard, Suite 111
Mississauga, Ontario
L5N 5P9

To the Guarantors: 1248 Lakeshore Road West
Oakville, Ontario
L6L 5J3

or such other address as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery.

9.7 Assignment The rights of GE Canada under this Guarantee may be assigned by GE Canada without the prior consent of the Obligor or the Guarantors. The Guarantors may not assign its obligations under this Guarantee.

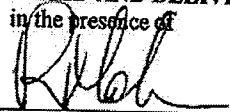
9.8 Governing Law This guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

9.9 Language The parties hereby acknowledge that it is their express wish that this Guarantee and Indemnity be drawn in the English language; les parties reconnaissent qu'il est de leur volonté expresse que la présente caution soit rédigée en langue anglaise seulement.

IN WITNESS WHEREOF, the Guarantors have executed this Guarantee as of this 24th day of February, 2005.

SIGNED, SEALED AND DELIVERED)

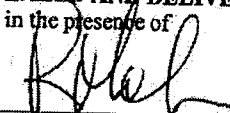
in the presence of)



Witness)

SIGNED, SEALED AND DELIVERED)

in the presence of)



Witness)

Name: **MOHMUD JIWANI**

Name: **LAILA JIWANI**

W:\g\GE Canada Equipment Financing - 116720046 - Ramada Inn London\Document\Guarantee re Individual Guarantors.doc

This is **Exhibit "H"** to the
Affidavit of Edward Khediguan
sworn before me, this 4th day of
October, 2010.




Edward Khediguan
Vice President, Franchise



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #33

08485-0177 (LT)

PAGE 1 OF 3

PREPARED FOR CATHOLIC
ON 2010/08/18 AT 16:09:36

SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 16 CON 3 AS IN S01584 LONEAN/RESUMINSTER

PROPERTY REFERENCE

ESTATE/ACQUISITION

FEE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

LAMCO INVESTMENTS LTD.

REVENUE

FIRST CONVERSION FROM BOOK 673

CADASTRI SHAW

HERO

FIN CREATION DATE:

1993/04/26

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
REFERATIVE 2002/07/28 THE NOTATION OF THE "BLACK IMPLEMENTATION DATE" OF 1993/04/26 ON THIS FIN						
HAS REFLECTED WITH THE "FIN CREATION DATE" OF 1993/04/26						
PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 1993-04-21						
**SUBJECT ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION ACTS						
AND ESHEARS ON SURRENDER TO THE CROWN.						
THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
IT THROUGH LENGTH OF ADVERSE POSSESSION, PASSCRPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
CONVENTION.						
ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
DATE OF CONVERSION TO LAND TITLES: 1993-04-26						
119427	1959/04/23	B/LAW				
CORRECTIONS: DATE OF REGN. * CHANGED FROM 1959-04-28 TO 1959-04-23 ON 1990/11/22 BY SECT 60(2).						
224017	1965/10/27	AGREEMENT			THE CORPORATION OF THE CITY OF LONDON	C
275070	1968/09/17	BYLAW				C
307526	1973/05/03	AGREEMENT				C
REMARKS: RE: AMENDMENT						
3301205	1974/12/06	PLAN REFERENCE			THE CORPORATION OF THE CITY OF LONDON	C
476923	1977/04/05	NOTICE				C

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



Ontario ServiceOntario

PARCEL REGISTER (ABSTRACTED) FOR PROPERTY IDENTIFIER

LAND

REGISTRY
OFFICE #33

08485-0177 (LTD)

PAGE 2 OF 3
PREPARED FOR Catherine
ON 2010/08/18 AT 16:09:36

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



REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CERO
L7301684	1988/05/24	REST C/PV APL ANNEX				
L731534	1988/05/24	TRANSFER		*** COMPLETELY DELETED ***	UNITEL HOTELS ONTARIO INC.	
L731934	1988/05/25	CHARGE		*** COMPLETELY DELETED ***		
L731935	1988/05/26	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***	GURAMITY TRUST COMPANY OF CANADA	
		REMARKS: RE: L731934				
L730948	1991/06/19	CHARGE		*** COMPLETELY DELETED ***		
L730445	1991/07/12	AGREEMENT		*** COMPLETELY DELETED ***	RAMADA ONTARIO LTD.	
		REMARKS: RE: L731934				
L730682	1991/12/24	AGREEMENT		*** COMPLETELY DELETED ***		
		REMARKS: RE: L731934				
L7319412	1993/09/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CENTRAL GURAMITY TRUST COMPANY	ADSLAIDE CAPITAL CORPORATION	
L7319419	1993/09/15	NOTICE		*** COMPLETELY DELETED *** CENTRAL GURAMITY TRUST COMPANY	ADSLAIDE CAPITAL CORPORATION	
		REMARKS: RE: L731935				
L7321474	1993/10/14	APL (GENERAL)		*** COMPLETELY DELETED *** UNITEL HOTELS ONTARIO INC.	UNITEL HOTELS INC.	
L7486031	1997/08/19	TRANS FIVER SALE		*** COMPLETELY DELETED *** ADSLAIDE CAPITAL CORPORATION	L175328 ONTARIO LIMITED	
		REMARKS: PLANNING ACT STATEMENT				
L7486032	1997/08/19	CHARGE		*** COMPLETELY DELETED *** L175328 ONTARIO LIMITED	ADSLAIDE CAPITAL CORPORATION	
L7486033	1997/06/19	NOTICE		*** COMPLETELY DELETED *** L175328 ONTARIO LIMITED	ADSLAIDE CAPITAL CORPORATION	

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
REMARKS: LP166832						
LT541655	1998/12/01	TRANSFER		1195124 ONTARIO LIMITED		
LT541656	1998/12/01	CHARGE		*** COMPLETELY DELETED *** LANCO INVESTMENTS LTD.	LANCO INVESTMENTS LTD.	
LT541657	1998/12/01	NOTICE		*** COMPLETELY DELETED *** LANCO INVESTMENTS LTD.	ROYNAT INC.	
REMARKS: LP166832						
LT541700	1998/12/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** ADELAIDE CAPITAL CORPORATION	ROYNAT INC.	
REMARKS: RE: LP166832						
EP9084	1999/04/19	CHARGE	500.000	LANCO INVESTMENTS LTD.	THE BANK OF NOVA SCOTIA	
EP9085	1999/04/19	NO ASSGN REINT GEN		LANCO INVESTMENTS LTD.	THE BANK OF NOVA SCOTIA	
REMARKS: EP9084						
EP344240	2005/03/03	CHARGE	54,200.000	LANCO INVESTMENTS LTD.	GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.	
EP344241	2005/03/03	NO ASSGN REINT GEN		LANCO INVESTMENTS LTD.	GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.	
REMARKS: EP344240						
EP344244	2005/03/03	EXTINGUISHMENT		THE BANK OF NOVA SCOTIA	GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.	
REMARKS: EP9084 TO EP344240						
EP345267	2005/03/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYNAT INC.	GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.	
REMARKS: RE: LP166832						
EP640835	2010/02/19	LIEN	8100.775	HER ALJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF NATIONAL REVENUE		
REMARKS: EXCISE TAX ACT						

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

This is **Exhibit "I"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2010.

A Commissioner for taking Affidavits, etc.



Edward Khediguian
Vice President, Franchise

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 9/20/2010
File Currency Date : 09/19/2010
Family(ies) : 7
Page(s) : 17

SEARCH : Business Debtor : LAMCO INVESTMENTS LTD.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 9/20/2010
File Currency Date : 09/19/2010
Family(ies) : 7
Page(s) : 17

SEARCH : Business Debtor : LAMCO INVESTMENTS LTD.

FAMILY : 1 OF 7 ENQUIRY PAGE : 1 OF 17
SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 609187527 EXPIRY DATE : 21SEP 2014 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20040921 1936 1531 3837 REG TYP: P FPSA REG PERIOD: S
02 IND DOB : IND NAME:
03 BUS NAME: KANADA INN LONDON . OCN :

04 ADDRESS : 817 EXETER ROAD PROV: ON POSTAL CODE: N6E 1W1
CITY : LONDON
05 IND DOB : IND NAME:
06 BUS NAME: LAMCO INVESTMENTS LTD OCN :

07 ADDRESS : 817 EXETER ROAD
CITY : LONDON PROV: ON POSTAL CODE: N6E 1W1

08 SECURED PARTY/LIEN CLAIMANT :
THE BANK OF NOVA SCOTIA- (CENTRAL SBSC)
09 ADDRESS : 1 ST. CLAIR AVE E, SUITE 4000 4TH FL
CITY : TORONTO PROV: ON POSTAL CODE: M4T 1Z3
CONS. MV DATE OF OR NO FIXED
GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X V.I.N.

11 YEAR MAKE

12 MODEL

13 GENERAL COLLATERAL DESCRIPTION

14

15

16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : SUITE 180-13571 COMMERCE PARKWAY
CITY : RICHMOND PROV: BC POSTAL CODE: V6V2L1

FAMILY : 1 OF 7 ENQUIRY PAGE : 2 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

PAGE TOT FILE NUMBER 609187527
 REGISTRATION NUM REG TYPE
 01 CAUTION : 001 OF 002 MV SCHED: 20050405 1148 1862 6365
 21 REFERENCE FILE NUMBER : 609187527
 22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: LAMCO INVESTMENTS LTD.

25 OTHER CHANGE:
 26 REASON: THE SECURITY INTERESTS HELD BY THE BANK OF NOVA SCOTIA WITH RESPECT
 27 /DESCR: TO LAMCO INVESTMENTS LTD. ARE HEREBY POSTPONED TO ALL PAST, PRESENT
 28 : AND FUTURE SECURITY INTEREST HELD BY GE CANADA EQUIPMENT FINANCING
 02/05 IND/TRANSFEREE:
 03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR M&T DATE

10
 11
 12
 13
 14
 15

16 NAME : AXLESWORTH THOMPSON RHELAN O'BRIEN LLP (JMCK)
 17 ADDRESS : TD CENTRE, 222 BAY STREET, 18TH FLOOR
 CITY : TORONTO PROV : ON POSTAL CODE : M5X 1H1

FAMILY : 1 OF 7 ENQUIRY PAGE : 3 OF 17
 SEARCH : RD : LAMCO INVESTMENTS LTD.

PAGE TOT
 01 CAUTION : 002 OF 002 MV SCHED: 20050405 1148 1862 6365
 21 REFERENCE FILE NUMBER : 609187527
 22 AMEND PAGE: NO PAGE: CHANGE: REG TYPE
 23 REFERENCE DEBTOR/ IND NAME: REN YEARS: CORR PER:
 24 TRANSFEROR: BUS NAME:

25 OTHER CHANGE:
 26 REASON: G.P. WITH RESPECT TO LAMCO INVESTMENTS LTD.
 27 /DESCR:
 28
 02/05 IND/TRANSFEREE:
 03/06 BUS NAME/TRFEE:

CCN:

04/07 ADDRESS:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS:
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME :
 17 ADDRESS :
 CITY : PROV : POSTAL CODE :

FAMILY : 1 OF 7 ENQUIRY PAGE : 4 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD. FILE NUMBER 609187527

PAGE TOT REGISTRATION NUM REG TYPE
 01 CAUTION : 01 OF 001 MV SCHED: 20090824 1455 1530 4798
 21 REFERENCE FILE NUMBER : 609187527
 22 AMEND PAGE: NO PAGE: X CHANGE: B RENEWAL REN YEARS: 5 CORR PER:
 23 REFERENCE DEBTOR/ IND NAME:
 24 TRANSFEROR: BUS NAME: RAMADA INN LONDON

25 OTHER CHANGE:
 26 REASON:
 27 /DESCR:
 28 :
 02/05 IND/TRANSFEREE:
 03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
 CITY: PROV: POSTAL CODE:
 29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
 CITY : PROV : POSTAL CODE :
 CONS. MV DATE OF NO FIXED
 GOODS INVTY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10
 11
 12
 13
 14
 15

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS
 17 ADDRESS : 4126 NORLAND AVENUE
 CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

FAMILY : 2 OF 7 ENQUIRY PAGE : 5 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 512816183 EXPIRY DATE : 21FEB 2011 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 002 MV SCHEDULE ATTACHED :
 REG NUM : 20050221 1109 1862 1563 REG TYP: P PPSA REG PERIOD: 6
 02 IND DOB : IND NAME:
 03 BUS NAME: LAMCO INVESTMENTS LTD.

04 ADDRESS : 200 HURRARD STREET., STE. 900, WATERFORD OCN :
 CITY : VANCOUVER PROV: BC POSTAL CODE: V6B 1C1
 05 IND DOB : IND NAME:
 06 BUS NAME: LAMCO INVESTMENTS LTD.

07 ADDRESS : 817 EXETER ROAD OCN :
 CITY : LONDON PROV: ON POSTAL CODE: N6E 1M1

08 SECURED PARTY/LIEN CLAIMANT :

GE CANADA EQUIPMENT FINANCING G.P.

09 ADDRESS : 2300 MEADOWVALE BOULEVARD, SUITE 111

CITY : MISSISSAUGA

PROV: ON

POSTAL CODE: L5N 5E9

CONS,

MV

DATE OF OR NO FIXED

GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X X
 YEAR MAKE

MODEL

V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: AXLESWORTH THOMPSON PHELAN O'BRIEN LLP (JMCK)

17 ADDRESS : TD CENTRE, 222 BAY STREET, 18TH FLOOR

CITY : TORONTO

PROV: ON

POSTAL CODE: M5K 1H1

FAMILY : 2 OF 7
 SEARCH : ED : LAMCO INVESTMENTS LTD.

ENQUIRY PAGE : 6 OF 17

00 FILE NUMBER : 612816183 EXPIRY DATE : 21FEB 2011 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 002 MV SCHEDULE ATTACHED :
 REG NOM : 20050221 1109 1862 3563 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

04 ADDRESS : CENTRE BOX 48600 OCN :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11
 12
 13 GENERAL COLLATERAL DESCRIPTION
 14
 15

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 3 OF 7 ENQUIRY PAGE : 7 OF 17
 SEARCH : ED : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 623955807 EXPIRY DATE : 04APR 2013 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20060404 1305 1862 9365 REG TYP: P PPSA REG PERIOD: 7
 02 IND DOB : IND NAME:
 03 BUS NAME: LAMCO INVESTMENTS LTD.

04 ADDRESS : 817 EXETER ROAD OCN :
 CITY : LONDON PROV: ON POSTAL CODE: N6E 1W1
 05 IND DOB : IND NAME:
 06 BUS NAME: RAMADA INN

07 ADDRESS : 817 EXETER ROAD OCN :
 CITY : LONDON PROV: ON POSTAL CODE: N6E 1W1

08 SECURED PARTY/LIEN CLAIMANT :
 PACIFIC SIGN LEASING LTD.

09 ADDRESS : 7462 PROGRESS WAY
 CITY : DELTA PROV: BC POSTAL CODE: V4G 1B1
 COMS. NV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE X MODEL V.I.N.

11
 12

GENERAL COLLATERAL DESCRIPTION

13 FOUR SETS OF 2' X 11' 3" 1" THICK FOAM LETTERS PIN MOUNTED TO WALL ON
 14 FOUR ELEVATIONS, ONE SET OF 2' X 11' 1" FACE LIT CHANNEL LETTERS
 15 MOUNTED THROUGH WALL, TWO NEW 5' X 22' 6" FACES FOR EXISTING OF PYLON,
 16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 2 OF 7
 SEARCH : BD : LAMCO INVESTMENTS LTD.

ENQUIRY PAGE : 8 OF 17

00 FILE NUMBER : 623955807 EXPIRY DATE : 04APR 2013 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20060404 1305 1862 9365 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL. AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 ALONG WITH ONE DF 6' X 10' ILLUMINATED READO BOARD, TWO NEW 7' 2" X
 14 32' FACES FOR DF ILLUMINATED PYLON, ONE 3' X 8' & ONE 2' X 8' SIGN
 15 FACES FOR DF ILLUMINATED PYLON, AND TWO NEW 4' X 8' SIGN FACES FOR

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 3 OF 7 ENQUIRY PAGE : 9 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 623955807 EXPIRY DATE : 04APR 2013 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 003 MV SCHEDULE ATTACHED :
 REG NUM : 20060404 1305 1862 9365 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME: OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11
 12
 GENERAL COLLATERAL DESCRIPTION
 13 EXISTING DF ILLUMINATED READOGRAPH SIGN.
 14
 15

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 4 OF 7 ENQUIRY PAGE : 10 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 629059641 EXPIRY DATE : 20SEP 2012 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20060920 0914 1901 4727 REG TYP: P PPSA REG PERIOD: 06
 02 IND DOB : IND NAME:
 03 BUS NAME: LAMCO INVESTMENTS LTD

04 ADDRESS : 817 EXETER ROAD OCN :
 CITY : LONDON PROV: ON POSTAL CODE: N6E 1W1
 05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 IRWIN COMMERCIAL FINANCE CANADA CORPORATION

09 ADDRESS : SUITE 300, 666 BURNARD ST.
 CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 2X8
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE X MODEL V.I.N.

11
 12
 GENERAL COLLATERAL DESCRIPTION

13 WASHER(S), EXTRACTOR(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES
 14 ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS
 15 THEREON AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY
 16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 4 OF 7 ENQUIRY PAGE : 11 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 629053641 EXPIRY DATE : 20SEP 2012 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
 REG NUM : 20060920 0914 1901 4737 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

OCN :

04 ADDRESS :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN
 14 INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES
 15 FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 5 OF 7 ENQUIRY PAGE : 12 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 636577416 EXPIRY DATE : 21JUN 2012 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :

REG NUM : 20070621 1946 1531 8985 REG TYP: P PPSA REG PERIOD: 5

02 IND DOB : IND NAME:

03 BUS NAME: LAMCO INVESTMENTS LTD

OCN :

04 ADDRESS : 503-5580 EXPLORER DR
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 4Y1

05 IND DOB : IND NAME:

06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

HONDA CANADA FINANCE INC

09 ADDRESS : 3650 VICTORIA PARK AVE NO.302

CITY : NORTH YORK PROV: ON POSTAL CODE: M2H 3P7

CONS.

GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT DATE OF OR NO FIXED

10 X X X 61854 05JUN2012 MATURITY MAT DATE

YEAR MAKE

MODEL

V.I.N.

11 2007 HONDA

PILOT

2HKYF18737H002623

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : SUITE 180-13571 COMMERCE PARKWAY

CITY : RICHMOND

PROV: BC

POSTAL CODE: V6V2L1

FAMILY : 6 OF 7 ENQUIRY PAGE : 13 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 661624101 EXPIRY DATE : 26MAY 2015 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 3 MV SCHEDULE ATTACHED :

REG NUM : 20100526 1150 1902 8942 REG TYP: P PPSA REG PERIOD: 05

02 IND DOB : IND NAME:

03 BUS NAME: LAMCO INVESTMENTS LTD.

OCN :

04 ADDRESS : 503-5580 EXPLORER DRIVE

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L4W 4Y1

05 IND DOB : IND NAME:

06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

ROYNAT INC.

09 ADDRESS : SUITE 300, 666 BURNARD ST.

CITY : VANCOUVER PROV: BC POSTAL CODE: V6C 2X8

CONS.	GOODS	INVTY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	DATE OF MATURITY	OR NO FIXED	MAT DATE

10 YEAR MAKE X X MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 PROPERTY MANAGEMENT SYSTEM(S) TOGETHER WITH ALL ATTACHMENTS

14 ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND

15 IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR

16 AGENT: AVS SYSTEMS INC.

17 ADDRESS : 17A 100 KAL LAKE RD.

CITY : VERNON PROV: BC POSTAL CODE: V1T 9G1

FAMILY : 6 OF 7 ENQUIRY PAGE : 14 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 661624101 EXPIRY DATE : 26MAY 2015 STATUS :
 01 CAUTION FILING : PAGE : 002 OF 3 MV SCHEDULE ATTACHED :
 REG NUM : 20100526 1158 1902 8942 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

04 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME:

07 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE MODEL V.T.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A
 14 RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR
 15 COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE

16 AGENT:

17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 6 OF 7 ENQUIRY PAGE : 15 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 661624101 EXPIRY DATE : 26MAY 2015 STATUS :
 01 CAUTION FILING : PAGE : 003 OF 3 MV SCHEDULE ATTACHED :
 REG NDM : 20100526 1158 1902 8942 REG TYP: REG PERIOD:
 02 IND DOB : IND NAME:
 03 BUS NAME:

04 ADDRESS : OCN :
 CITY : PROV: POSTAL CODE:
 05 IND DOB : IND NAME:
 06 BUS NAME: OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :
 CITY : PROV: POSTAL CODE:
 CONS. MV
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT DATE OF OR NO FIXED
 MATURITY MAT DATE
 10 YEAR MAKE MODEL V.I.N.

11
 12
 13 GENERAL COLLATERAL DESCRIPTION
 14 COLLATERAL
 15

16 AGENT:
 17 ADDRESS :
 CITY : PROV: POSTAL CODE:

FAMILY : 7 OF 7 ENQUIRY PAGE : 16 OF 17
 SEARCH : BD : LAMCO INVESTMENTS LTD.

00 FILE NUMBER : 664050969 EXPIRY DATE : 14SEP 2010 STATUS : D DISCHARGED
 01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20100830 1447 1031 5242 REG TYP: P PPBA REG PERIOD: 05
 02 IND DOB : IND NAME:
 03 BUS NAME: LAMCO INVESTMENTS LTD

OCN :

04 ADDRESS : 817 EXETER RD
 CITY : LONDON PROV: ON POSTAL CODE: N6E 1W1
 05 IND DOB : IND NAME:
 06 BUS NAME: RAMADA INN LONDON

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF REVENUE

09 ADDRESS : SUITE 200-77 CITY CENTRE DR.

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B 1M5

CONS. MV DATE OF OR NO FIXED
 GOODS INVTY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 X X X X 74314
 YEAR MAKE MODEL V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: COLLECTION MANAGER, MINISTRY OF REVENUE (RST) MOR#1040165662

17 ADDRESS : SUITE 200-77 CITY CENTRE DR. (885/193)

CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B 1M5

FAMILY : 7 OF 7
SEARCH : BD : LAMCO INVESTMENTS LTD.

ENQUIRY PAGE : 17 OF 17

FILE NUMBER 664050969

01 REGISTRATION NUMBER : 20100914 0929 1031 6423

31 REF FILE NUM: 664050969 CHANGE CODE: C DISCHRG RENEWAL YEARS:

32 REF IND NAME:

33 REF BUS NAME: LAMCO INVESTMENTS LTD.

OCN :

SECURED PARTY/LIEN CLAIMANT/REGISTERING AGENT :

08/16 NAME

INSOLVENCY MANAGER, REVENUE COLLECTIONS BRANCH (T654/T748)

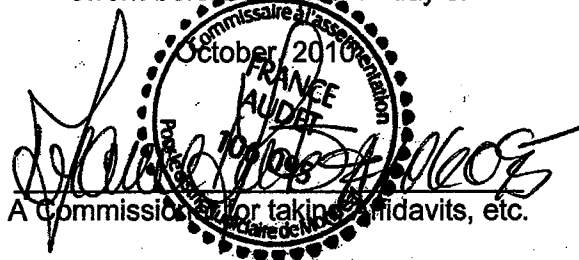
09/17 ADDRESS : 33 KING ST W 6TH FLOOR

CITY : OSHAWA

PROV : ON

POSTAL CODE : L1H 8H5

This is Exhibit "J" to the
Affidavit of Edward Khediguian
sworn before me on this 4th day of

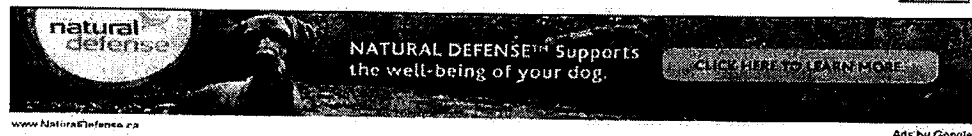

A Commissioner for taking affidavits, etc.

Commissaire à l'assuranc
October 2010
FRANCE
AUDIT
10/10/10


Edward Khediguian
Vice President, Franchise

Autos Careers Classifieds Homes SUN TV

SEARCH



No Moe no more

Fourth anniversary of disappearance of Oakville millionaire

By MARK BONOKOSKI, TORONTO SUN

Last Updated: July 12, 2010 7:49am

"Curiouser and curiouser!" cried Alice.

— From Alice's Adventures in Wonderland

Another year has come and gone, and so it is even more "curiouser" now as the fourth anniversary of millionaire hotelier Moe Jiwani's mysterious disappearance is duly marked — with the father of two still missing, and still missing without a trace.

One day he leaves his since-sold Oakville mansion on the shores of Lake Ontario, supposedly to do business in Toronto, and, a day or two later, his 2003 Mercedes SL500 four-door is located undamaged in the parking lot adjacent to Filmores, a gentlemen's club in the Dundas and Jarvis Sts. area, a hardscrabble patch of core-city Toronto plagued by crack addicts, drug dealers, and low-rent sex trade workers.

And, just like that, no Moe no more.

The days become months, the months now four years. And every time a body surfaces — whether they be body parts in cottage country or a barrel in a lake — police across the province check their missing person's list.

But, thus far, none of those bodies has been Moe.

Halton Regional Police, who began investigating his disappearance with a certain degree of suspicion — Jiwani had a crack addiction that his family wanted kept secret, and had disappeared for four days before on a crack-fuelled bender — have since turned the file over to homicide Sgt. Alistair Watt.

A person, after all, rarely ramps up a disappearance from four days to four years without something being afoul.

No phone calls to his wife or two children, a boy and a girl now in their mid-teens. No money movement. No sightings.

Since the latest words were written in Moe Jiwani's mysterious departure, and that was on the third anniversary, there has been some news that has not yet been totally reported.

The mansion has been sold (the original asking price was a few dollars shy of \$5 million), and Moe Jiwani's wife, Laila Jiwani, has moved into a "more modest home in a still upscale part of Oakville."

"Modest for Oakville," Watt adds.

One of the hotels owned by the Jivanis, the Ramada Coral Resort in Niagara Falls, is now closed — sold, according to one source, and scheduled to be reopened mid-month following renovations, supposedly by new owners.

Two alleged extortionists — one supposedly a friend of the family — have since had their charges stayed after reportedly scamming \$80,000 in ransom money from Laila Jiwani, who paid the money in cash without notifying police — all in hopes of quietly acquiring her husband's release.

It was kept so quiet, in fact, that when the two alleged extortionists were arrested, and the claim of holding Moe Jiwani for ransom turned out to be bogus, Halton police did not even issue a press release.

Curiously, though, the joint forces raid on the Toronto apartment of the two suspects also produced some incriminating sidebar evidence — like three-quarters of a kilo of cocaine, for example, some 1,500 Ecstasy pills, and an undisclosed quantity of crystal meth.

Incriminating, perhaps, but not good enough for court, since all those drug-related charges were eventually dropped — just as the extortion charges were stayed.

The ransom money, by the by, was never recovered, either.

It has also been learned that, during the days just prior to Jiwani's disappearance, he travelled to India, purportedly for business dealings in Mumbai, and returned to Toronto via London.

While in London, he apparently bought a return ticket to Geneva but, according to Sgt. Watt, it is still uncertain whether he took that flight in his own name or had someone else take it.

"We just don't know," says Watt.

What is certain, however, is that within days of returning to Toronto, Ugandan-born Moe Jiwani, then 41, drove his 2003 Mercedes SL500 four-door to Toronto, and parked it in the lot next to Filmores.

According to a Filmores night manager, one of many interviewed by Halton police, a man "matching" the profile of Moe Jiwani had been in the club on the night of his disappearance, had used the ATM machine, had engaged in conversation with a dancer stage-named Desiree, and had been "noticed" because he was "loud and flashing money".

Moe Jiwani apparently had a fondness for scotch. On this night, however, he was drinking Coca-Cola.

Perhaps it was a case of mistaken identity.

Howard Adams is the president of Filmores. He once said if so much time had not passed between Moe Jiwani's disappearance and the day the police paid Filmores a visit, he could have played back the tapes on the security cameras to see whether Moe Jiwani was the man "matching" the profile.

"At least we could have confirmed whether he was here or whether he was not," said Adams.

But the loop tapes had already done their loop.

mark.bonokoski@sunmedia.ca

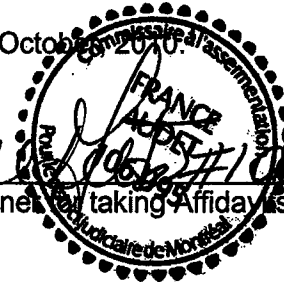
or 416-947-2445

Copyright © 2010 Toronto Sun All Rights Reserved

This is Exhibit "K" to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October 20th 2010.

Staw *195657106095*
A Commissioner taking Affidavits, etc.



[Signature]
Edward Khediguian
Vice President, Franchise

LRO # 33 Postponement Of Interest

Received as ER344244 on 2005 03 03 at 13:14

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

yyyy mm dd Page 1 of 2

Properties

PIN 08485 - 0177 LT Estate/Qualifier Fee Simple Lt Conversion Qualified
 Description PT LT 16 CON 3 AS IN 801884 LONDON/WESTMINSTER
 Address 00817 EXETER ROAD
 LONDON

Source Instruments

Registration No.	Date	Type of Instrument
ER9084	1999 04 19	Charge/Mortgage

Party From(s)

Name THE BANK OF NOVA SCOTIA
 Address for Service

I, Murray Groves, Manager, 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.
 Address for Service 2300 Meadowvale Boulevard
 Suite 111
 Mississauga, Ontario
 L5N 5P9

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number ER344240 registered on 2005/03/03

Schedule: The Bank of Nova Scotia hereby postpones its rights under Instrument Number ER9084 being a Charge registered 1999/04/19 and Instrument Number ER9085 being a General Assignment of Rents registered 1999/04/19 to Charge Number ER344240 and General Assignment of Rents Number ER344241 both registered on March 3, 2005 in favour of General Electric Canada Real Estate Finance Inc.

This document relates to registration no.(s)ER9084, ER9085, ER344240 and ER344241

Signed By

James Michael Uwe McKeon	222 Bay Street, PO Box 124, Ernst & Young Tower Toronto M5K 1H1	acting for Party From(s)	Signed	2005 03 03
Tel 416-777-0101				
Fax 4168651398				
James Michael Uwe McKeon	222 Bay Street, PO Box 124, Ernst & Young Tower Toronto M5K 1H1	acting for Party To(s)	Signed	2005 03 03
Tel 416-777-0101				
Fax 4168651398				

Submitted By

AYLESWORTH THOMPSON PHELAN O'BRIEN LLP	222 Bay Street, PO Box 124, Ernst & Young Tower Toronto M5K 1H1	2005 03 03
Tel 416-777-0101		
Fax 4168651398		

LRO # 33 Postponement Of Interest

Received as ER344244 on 2005 03 03 at 13:14

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

yyyy mm dd Page 2 of 2

Fees/Taxes/Payment


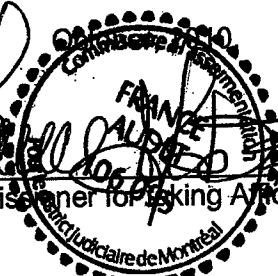
Statutory Registration Fee \$60.00

Total Paid \$60.00

File Number

Party From Client File Number: 11672-46

This is **Exhibit "L"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of



A Commissioner for taking Affidavits, etc.


Edward Khediguian
Vice President, Franchise

The Bank of Nova Scotia
 Dixie & Britannia Branch
 1525 Britannia Road East
 Mississauga, Ontario
 Canada L4W 1S5
 Tel: (905) 795-2900
 Fax: (905) 795-2909



February 25, 2005

GE Canada Equipment Financing G.P.
 2300 Meadowvale Blvd.
 Suite 111
 Mississauga, Ontario
 L5N 5P9
 Attention: Desiree Lam

- and to _

Aylesworth Thompson Phelan O'Brien LLP
 Barristers and Solicitors
 Ernst & Young Tower
 Toronto-Dominion Centre
 222 Bay Street
 18th Floor
 Toronto, Ontario
 M5K 1H1

Attention: James M. McKeon

Dear Sirs:

Re: GE CANADA EQUIPMENT FINANCING G.P. ("GE") loans (the "Loans") to Lamco Investment Ltd. (the "Borrower") with respect to a hotel located at 817 Exeter Road, London Ontario (the "Property")

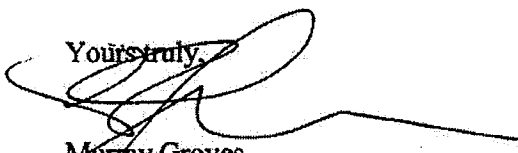
And Re: Mortgage No. ER9084 registered against the Property, Notice of Assignment of Rents registered against the Property and Ontario Personal Security Act registrations under File No. 609187527 (collectively the "Security")

The Bank of Nova Scotia hereby postpones any security interest relating to the property of the Borrower to the security interests held by GE Canada Equipment Financing G. P. against the Borrower.

The Bank of Nova Scotia hereby confirms that notwithstanding the face amount of any of the Security, the Security is held to secure an operating line in the maximum principal amount of \$50,000 in favour of the Borrower. The Bank of Nova Scotia will not increase the maximum principal amount available under such credit line, or otherwise extend any further credit to the Borrower, without the prior written consent of GE Canada Equipment Financing G.P. The current amount owing by the Borrower is \$215,000.

Should you require any further information, please do not hesitate to contact the undersigned.

Yours truly,



Murray Groves
Manager

This is **Exhibit "M"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2005.


A Commissioner for Taking Affidavits, Etc.




Edward Khediguian
Vice President, Franchise

The Bank of Nova Scotia
 Dixie & Britannia Branch
 1525 Britannia Road East
 Mississauga, Ontario
 Canada L4W 1S5
 Tel: (905) 795-2900
 Fax: (905) 795-2905



August 9, 2010

Miles Backhouse
 Barrister & Solicitor
 295 Matheson Blvd E.
 Mississauga, Ontario
 L4Z 1X8

Dear Mr. Backhouse:

Re: Lamco Investments Ltd.

We wish to advise that the above-captioned client has a credit facility with a limit of \$250,000. The outstanding balance on the facility is \$250,000 plus interest in the amount of \$462.33 as of today.

This is the only credit facility that the client has with our bank.

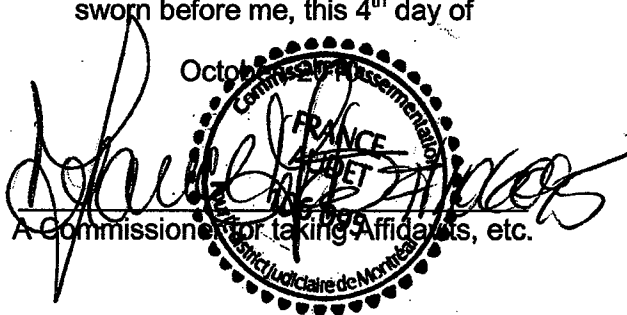
Do not hesitate to contact me 905-795-2903 if you have any further questions regarding this matter.


Yours truly,


 Habib Akhtar
 Account Manager, Small Business


 Alex Vitaro
 Branch Manager

This is **Exhibit "N"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October 2, 1999

A Commissioner for taking Affidavits, etc.




Edward Khediguian
Vice President, Franchise



ServiceOntario

LAND
MINISTRY
OFFICE #33

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 3
PREPARED FOR D:\2010\01
ON 2010/09/20 AT 12:12:55
08485-0177 (12)

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

PROPERTY DESCRIPTION: PT 1/4 CON 3 AS IN 801664 LONDON/REGISTERED

PROPERTY ADDRESS

ESTABLISHMENT
THE SIMONS
LA CONVERSION QUALIFIED
CHARTER NUMBER
LAND INVESTMENTS LTD.

PRESENTLY
FIRST CONVERSION FROM RONE 871

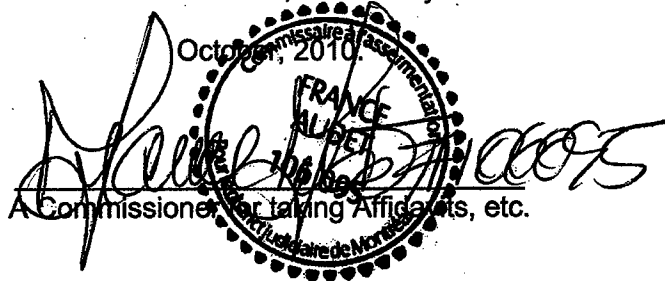
CAPACITY RULES
RONE

DATE CREATION DATE:
1993/04/26

REG. NO.	DATE	INSTRUMENT TYPE	INSTRUMENT	PARTIES FROM	PARTIES TO	CITE/CHRD
REGISTRATION 2000/07/25	THE MOUNTAIN OF THE	WELLOCK THE MOUNTAIN OF THE	DATE: 1993/04/26	DATE: 1993/04/26 ON THIS FIRM		
THIS REPLACES WITH THE	DATE OF 1993/04/26					
** PREVIOUS	INSTRUMENTS AND DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
**SUBJECT:	ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:					
**	SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ASSOCIATE OR PERTINENT TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO NOTED, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH JUDICIAL OF ADVERSE POSSESSION, PERSHIPPON, MISDESCRIPTION OR BOUNDARIES ESTABLISHED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 10(2) OF THE REGISTER ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES: 1993/04/26 **						
119427	1959/04/23 EXPLAN					
	CONVEYANCES, DATE OF REGON, CHANGED FROM '1959/04/23' TO '1959/04/23' ON 1990/11/22 BY BRUCE HUNT.					
224617	1965/10/27 AGREEMENT					
275070	1968/05/17 EXPLAN					
347526	1973/05/03 AGREEMENT					
	REPLACES, RE, AGREEMENT					
338128	1974/12/06 PLAN REFERENCE					
476920	1977/04/05 NOTICE					
					THE CORPORATION OF THE CITY OF LONDON	
					THE CORPORATION OF THE CITY OF LONDON	

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

This is **Exhibit "O"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2010.

A Commissioner for taking Affidavits, etc.

FRANCE
ALPES
2010/10/04
Notaire de France


Edward Khediguian
Vice President, Franchise

**FOREBEARANCE AND WAIVER RELATING TO LOAN AGREEMENT DATED AS OF
FEBRUARY 24, 2005**

THIS AGREEMENT made as of May 31, 2010.

BETWEEN: GE CANADA EQUIPMENT FINANCING G.P. (the "Lender")

AND: LAMCO INVESTMENTS LTD. (the "Borrower")

WHEREAS:

- A. Lender and Borrower entered into that certain Loan Agreement dated as of February 24, 2005 (the "Loan Agreement") with respect to a hotel located at the property municipally known as 817 Exeter Road, London, Ontario, N6E 1W1 (the "Property");
- B. The entire Loan Amount under the Loan Agreement became due and payable on April 1, 2010;
- C. The Borrower failed to pay the outstanding Loan Amount owing under the Loan Agreement on the Maturity Date;
- D. The Borrower has now requested that the Lender forbear from exercising any of its rights and remedies under the Loan Agreement as a result of such failure;
- E. The Lender has agreed to such request on the terms and conditions set out in this Agreement.

NOW, THEREFORE, in consideration of \$10.00 and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree with each other as follows,

1. Borrower shall continue to make the monthly instalments due under the Loan Agreement on the 1st day of each and every month until July 1, 2010 on which date the balance of the Loan Amount shall be due and payable, without further demand or notice.
2. Lender agrees to forbear from exercising its rights and remedies under the Loan Agreement until the earlier of (i) 5:00 p.m. E.S.T., July 1, 2010, time being of the essence, (ii) the date on which the Borrower is able to refinance the Property with another lender, and (iii) a Default or Event of Default (other than the failure to pay the Loan Amount on April 1, 2010) occurs and continuing. Upon the termination of the Lender's forbearance obligations hereunder, the Lender shall be free, in the Lender's sole and absolute discretion, to proceed to enforce any or all of its rights and remedies under or in respect of the Loan Agreement, the Lender's Security and applicable law. All of the Borrower's obligations and liabilities to the Lender hereunder are secured under the Loan Agreement and the Lender's Security. The Borrower acknowledges having paid a non-refundable file administration fee of \$48,779.19 to Lender. For greater certainty, the parties confirm that the interest rate of 6.59% shall apply to the loan from and after April 1, 2010.
3. Except as otherwise expressly provided for in this Agreement, nothing in this Agreement shall extend or affect in any way any of the Borrower's obligations under the Loan Agreement, or any of the rights and remedies of the Lender, arising under the Loan Agreement or the Lender's Security, and the Lender shall not be deemed to have waived any or all of such rights or remedies with respect to any Default or Event of Default or event or condition which, with notice or the lapse of time or both, would become a Default or Event of Default under the Loan Agreement and which upon the Borrower's execution and

delivery of this Agreement might otherwise exist or which might hereafter occur.

4. Each of Mohmud Jiواني (by his estate trustee Laila Jiواني), Laila Jiواني and 1400717 Ontario Limited (the "Guarantors") (i) consents to and approves the execution and delivery of this Agreement by the parties hereto, (ii) agrees that this Agreement shall not be construed as requiring the consent of any of them in any other circumstance. The Borrower and Laila Jiواني hereby represent and warrant that Mohmud Jiواني has been declared missing, and that Laila Jiواني has the power to bind the estate of Mohmud Jiواني.
5. The Borrower shall pay all of the reasonable legal fees of the Lender in connection with this Agreement.
6. All capitalized terms used herein, and not otherwise defined in this Agreement, shall have the meaning ascribed thereto in the Loan Agreement.
7. It is expressly declared and agreed that all covenants, clauses, agreements, provisions, stipulations, conditions, powers, matters and thing whatsoever contained in the Loan Agreement shall continue in full force and effect, except only as set out herein.
8. This Agreement, the Loan Agreement and the Lender's Security constitute the entire agreement between the parties hereto pertaining to the subject matter hereof. This Agreement supersedes any prior or contemporaneous agreements, negotiations and discussions of the parties in respect of the subject matter hereof. No agreement, waiver or termination of this Agreement shall be binding unless executed in writing by the parties and no such Agreement or waiver shall extend to anything other than the specific subject matter thereof. The failure at any time of any party to insist on strict performance of any provision of this Agreement shall not limit the ability of that party to insist at any future time whatsoever on the performance of the same or any other provision (except insofar as that party may have given a valid and effective written waiver or release).
9. This Agreement shall in all respects be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
10. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement with effect as of the day and year first above written.

BORROWER:
LAMCO INVESTMENTS LTD.

By: 

Name: Laila Jiواني
Title: President

LENDER:
GE CANADA EQUIPMENT FINANCING G.P.

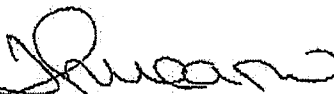
By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GUARANTORS:

SIGNED, SEALED AND DELIVERED)
in the presence of)

Witness



LAILA JIWANI

SIGNED, SEALED AND DELIVERED)
in the presence of)

Witness



LAILA JIWANI in her capacity as
Estate Trustee for MOHMUD JIWANI

This is **Exhibit "P"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of




Edward Khediguian
Vice President, Franchise



montréal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • moscow • london

August 19, 2010

Christopher Alam
Direct 416-369-4590
christopher.alam@gowlings.com

VIA COURIER

Lamco Investments Ltd.
817 Exeter Road
London, Ontario
N6E 1W1

Attention: Laila Jaiwani

Dear Sirs:

**Re: Indebtedness owing to General Electric Canada Real Estate Finance Inc. and/or GE
Canada Equipment Financing G.P. (collectively, "General Electric")**

We are solicitors for General Electric.

According to General Electric's records, Lamco Investments Ltd. (the "**Borrower**") is indebted or otherwise liable to General Electric for the amounts set forth in Schedule "A" attached to this letter (the "**Indebtedness**"). The Loan Agreement dated February 24, 2005, as amended, restated or supplemented (the "**Loan Agreement**"), General Security Agreement dated February 24, 2005, Environmental Indemnity Agreement dated February 24, 2005, the Charge/Mortgage registered March 3, 2005 as instrument ER344240 in LRO #33, and Assignment of Rents registered on March 3, 2005 as instrument ER344241 in LRO #33 (collectively referred to as the "**Loan Documents**") are, *inter alia*, the documents under which the Indebtedness is outstanding. Capitalized terms not defined herein have the meanings given thereto in the Loan Documents. The Borrower is in default of the Loan Documents, *inter alia*, in respect of payment of all unpaid principal and interest payments due April 1, 2010, and in accordance with a Forbearance and Waiver Relating to Loan Agreement dated as of February 24, 2005, agreed to and acknowledged such defaults and agreed that General Electric could enforce its rights and remedies under the Loan Documents on the earlier of July 1, 2010, or the date on which the Borrower was able to refinance the Indebtedness. These defaults constitute Events of Default under Section 11.1.1 of the Loan Agreement.

On behalf of General Electric, we demand payment in full of the Indebtedness. Interest on the Indebtedness will continue to accrue to the date of payment at the relevant rate set out in the schedule attached to this letter. The exact amount of the Indebtedness and interest which will have accrued to any proposed date of payment may be obtained by contacting General Electric. The Borrower will also be required to pay General Electric's legal and other expenses in connection with the Indebtedness beyond those stated on Schedule "A".

TOR_LAW\7447162\1

Gowling Lafleur Henderson LLP • Lawyers • Patent and Trade-mark Agents

1 First Canadian Place • 100 King Street West • Suite 1600 • Toronto • Ontario • M5X 1G5 • Canada T 416-862-7525 F 416-862-7661 gowlings.com

gowlings

This letter constitutes a demand for payment and acceleration of payment pursuant to terms of all security (the "**Security**") held by General Electric directly or indirectly for any of the Indebtedness, including all promissory notes and other agreements governing the Indebtedness and under all security instruments held for the Indebtedness and is made without prejudice to General Electric's rights to make such further and other demands as it may see fit for any other indebtedness or under any other security.

Unless payment or arrangements satisfactory to General Electric for payment of the Indebtedness are made by no later than 5:00 p.m. Friday, August 27, 2010 at the close of business (the "**Demand Date**"), General Electric may take such further steps as it deems necessary to recover payment of the Indebtedness. These steps may include the enforcement of the Security by way of the appointment of a receiver, an interim receiver, a receiver and manager or agent under or pursuant to the Security. General Electric expressly reserves the right to take such steps as it deems advisable to protect General Electric's interests prior to the Demand Date including, without limitation, the right to proceed to recover the Indebtedness and to enforce the Security without further notice to the Borrower at any time prior to the Demand Date if General Electric becomes aware of any circumstances which might impair its position.

Please find enclosed a Notice of Intention to Enforce Security issued by General Electric pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada).

Yours truly,

GOWLING LAFLEUR HENDERSON LLP



Christopher Alam

CA/cb
Encl.

c. client

SCHEDULE "A"



GE Commercial Finance
Franchise Finance

2300 Meadowvale Blvd., Suite 111
Mississauga, L5N 5P9
Canada

August 19, 2010

Lamco Investments Ltd.,
817 Exeter Road
London, ON

ATTENTION: Laila Jaiwani

RE: Payout statement GE Loan #4161618-001
Lamco Investments Ltd., (dba: Ramada Inn London, ON)
817 Exeter Road, London, ON

Please be advised the amount required to payout the loan is as follows:

Principal Outstanding:	\$3,606,595.09
Interest accrued for the period July 1, 2010 to August 19, 2010:	\$ 51,033.44
File Administration fees as per forbearance agreement Dated May 31, 2010:	\$ 48,779.19
Legal fees and costs - Aylesworth:	\$ 3,673.74
Legal fees and costs - Gowlings:	\$ 3,800.00
Total Owing as of August 19, 2010:	<u>\$3,713,881.46</u>
Per Diem rate:	\$651.16

Any payment received after noon shall include another day's interest

Please wire funds to:

Bank: 003 (Royal Bank)
Transit: 02292 (3535 New Street, Burlington L7N 3W2)
Acct: 1082148
Name: GE Canada Equipment Financing G.P.

or, forward a Certified Cheque by no later than noon to the following address:

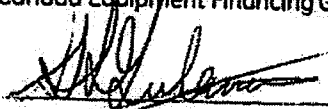
GE Canada Equipment Financing G.P.
5500 North Service Road, 8th Floor
Burlington Ontario, L7L 6W6.
Attn: Gisele Holland

Page 2

Please ensure that the name "Lamco Investments Ltd., Loan # 4161618-001" is referenced to the payment.

GE Canada Equipment Financing G.P. reserves the right to restate this payout statement to reflect additional costs and expenses incurred between the date of this payout statement and the date of payment, all of which are for the borrower's account. If payment in full is not received by noon on August 6, 2010 this payout statement shall expire and a further payout statement must be requested from GE Canada Equipment Financing G.P.

Yours truly,
GE Canada Equipment Financing G.P.,



Salim Gulamani
Account Manager



Desiree Lam
R.E. Loan Closer

E&OE

Notice of Intention to Enforce Security
[Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada)]

To: **LAMCO INVESTMENTS LTD.**, an insolvent person

Take notice that:

1. **GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC. and GE CANADA EQUIPMENT FINANCING G.P.** (collectively the "**Secured Party**"), a secured creditor, intends to enforce its security on the property of the insolvent person described below:

All of the property, assets and undertaking charged by the security as described in paragraph 2 of this Notice including, without limitation, the property municipally known as 817 Exeter Road, London, ON, and legally described as PIN 08485-0177 (LT), being Part of Lot 16, Concession 3, City of London, and all present and future undertakings, personal property, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and accessions thereto and all spare parts, replacements, substitutions, exchanges and trade-ins therefor and all spare parts, replacements, substitutions, exchanges and trade-ins therefor and all proceeds relating thereto and all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities and all agreements, licences, contracts and other instruments relating to the management and operation of a hotel on the aforementioned lands including, without limitation, all service contracts.

2. The security that is to be enforced is in the form described in the attached Schedule "A".
3. The total amount of the indebtedness secured by the security is \$3,713,881.46 at August 19, 2010 (collectively the "**Indebtedness**") together with all further direct and indirect indebtedness and interest thereon due and owing or as may become due and owing from the insolvent person to the Secured Party and expenses and legal expenses. The exact amount of the aggregate Indebtedness of the insolvent person to the Secured Party may be obtained by contacting the Secured Party. The particulars of the Indebtedness are as described in Schedule "B".

- 2 -

4. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice unless the insolvent person consents to an earlier enforcement.


Dated at Toronto this 19th day of August, 2010

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

by its solicitors

GOWLING LAFLEUR HENDERSON LLP

Per:



Christopher Alam

SCHEDULE "A"

**List of Security
made by LAMCO INVESTMENTS LTD.
to GENERAL ELECTRIC CANADA REAL ESTATE FINANCE INC.
and GE CANADA EQUIPMENT FINANCING G.P.**

1. General Security Agreement dated February 24, 2005
2. Mortgage/Charge of Land registered March 3, 2005 as instrument ER344240 at LRO #33, against 817 Exeter Road, London, Ontario
3. Assignment of Rents registered March 3, 2005 as instrument ER344241 at LRO #33, against 817 Exeter Road, London, Ontario
4. Assignment of Management and Services Agreements dated February 24, 2005



montréal · ottawa · toronto · hamilton · waterloo region · calgary · vancouver · moscow · london

Christopher Alam
Direct 416-369-4590
christopher.alam@gowlings.com

August 19, 2010

VIA COURIER

1400717 Ontario Limited
5580 Explorer Drive, Suite 503
Mississauga, Ontario
L4W 4Y1

and

Mohmud Jiwani
5580 Explorer Drive, Suite 503
Mississauga, Ontario
L4W 4Y1

and

Laila Jiwani
5580 Explorer Drive, Suite 503
Mississauga, Ontario
L4W 4Y1

Dear Mesdames/Sirs:

Re: 1400717 Ontario Limited's, Mohmud Jiwani's and Laila Jiwani's Guarantees of the Indebtedness of Lamco Investments Ltd. (the "Borrower") to General Electric Canada Real Estate Finance Inc. and/or GE Canada Equipment Financing G.P./Financement D'Équipement GE Canada S.E.N.C. (collectively, "General Electric")

We are solicitors for General Electric. By letter dated August 19, 2010, we demanded payment on behalf of General Electric of the indebtedness and liabilities of the Borrower to General Electric. We refer to the Guarantee and Indemnity made by Mohmud Jiwani and Laila Jiwani dated February 24, 2005 and the Guarantee and Indemnity made by 1400717 Ontario Limited dated February 24, 2005, made by each of you to General Electric (the "Guarantees") whereby you guaranteed payment to General Electric of the indebtedness, liabilities and obligations of the Borrower (the "Indebtedness") plus interest from the date of demand for payment under the

TOR_LAW\7446949\1

Gowling Lafleur Henderson LLP • Lawyers • Patent and Trade-mark Agents

1 First Canadian Place • 100 King Street West • Suite 1600 • Toronto • Ontario • M5X 1G5 • Canada T 416-862-7525 F 416-862-7631 gowlings.com



Guarantee and General Electric's expenses of enforcement of its rights. Particulars of the Indebtedness are set forth in Schedule "A" to this letter.

On behalf of General Electric and pursuant to the terms of the Guarantees we demand payment from you of the Indebtedness plus interest from the date of demand for payment under the Guarantee and General Electric's expenses of enforcement of its rights.

Please note that the Indebtedness as set forth in Schedule "A" is stated as at August 19, 2010. Interest on the Indebtedness will continue to accrue to the date of payment at the applicable interest rate. General Electric has also incurred and may in future incur expenses of enforcement beyond those stated on Schedule "A". The exact amount of the Indebtedness and accrued interest and expenses as at any proposed date of payment may be obtained by contacting General Electric.

This letter constitutes a demand for payment pursuant to the terms of all security (the "**Security**"), if any, held by General Electric, directly or indirectly for any of the Indebtedness, including all loan documents and other agreements governing the Indebtedness and is made without prejudice to General Electric's right to make such further and other demands as it may see fit for any other indebtedness or under any other Security.

Unless payment or arrangements satisfactory to General Electric for payment of the Indebtedness, interest and expenses are made by no later than 5:00 p.m. on Friday, August 27, 2010 (the "**Demand Date**") General Electric may take such further steps as it deems necessary to recover payment of such amounts in its sole and unfettered discretion. General Electric expressly reserves the right to take such steps as General Electric deems advisable to protect General Electric's interests prior to the Demand Date including, without limitation, the right to proceed to recover the

Indebtedness and to enforce the Security without further notice to you at any time prior to the Demand Date if General Electric becomes aware of any circumstances which might impair its position.

Yours truly,

GOWLING LAFLEUR HENDERSON LLP



Christopher Alam

CA/cb

c. client

SCHEDULE "A"



Franchise Finance

2300 Meadowdale Blvd., Suite 111
Mississauga, L5N 5P9
Canada

August 19, 2010

Lamco Investments Ltd.,
817 Exeter Road
London, ON

ATTENTION: Laila Jaiwani

RE: Payout statement GE Loan #4161618-001
Lamco Investments Ltd., (dba: Ramada Inn London, ON)
817 Exeter Road, London, ON

Please be advised the amount required to payout the loan is as follows:

Principal Outstanding:	\$3,606,595.09
Interest accrued for the period July 1, 2010 to August 19, 2010:	\$ 51,033.44
File Administration fees as per forbearance agreement Dated May 31, 2010:	\$ 48,779.19
Legal fees and costs - Aylesworth:	\$ 3,673.74
Legal fees and costs - Gowlings:	\$ 3,800.00
Total Owing as of August 19, 2010:	<u>\$3,713,881.46</u>
Per Diem rate:	\$651.16

Any payment received after noon shall include another day's interest

Please wire funds to:

Bank: 003 (Royal Bank)
Transit: 02292 (3535 New Street, Burlington L7N 3W2)
Acct: 1082148
Name: GE Canada Equipment Financing G.P.

or, forward a Certified Cheque by no later than noon to the following address:

GE Canada Equipment Financing G.P.
5500 North Service Road, 8th Floor
Burlington Ontario, L7L 6W6.
Attn: Gisele Holland

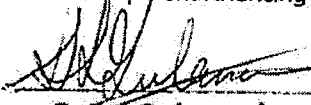
Page 2

Please ensure that the name "Lamco Investments Ltd., Loan # 4161618-001" is referenced to the payment.

GE Canada Equipment Financing G.P. reserves the right to restate this payout statement to reflect additional costs and expenses incurred between the date of this payout statement and the date of payment, all of which are for the borrower's account. If payment in full is not received by noon on August 6, 2010 this payout statement shall expire and a further payout statement must be requested from GE Canada Equipment Financing G.P.

Yours truly,

GE Canada Equipment Financing G.P.,



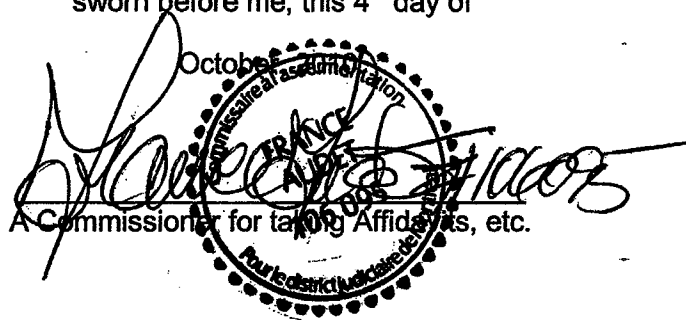
Salim Gulamani
Account Manager



Désirée Lam
R.E. Loan Closer

E&OE

This is **Exhibit "Q"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October 27, 2008

A Commissioner for taking Affidavits, etc.


Edward Khediguian
Vice President, Franchise

SOBERMAN INC.

2 ST. CLAIR AVENUE EAST, 10TH FLOOR
TORONTO, ONTARIO, M4T 2T5
TEL (416) 629-2500 Fax (416) 929-2555
www.soberman.com

Monday August 30, 2010

TO THE CREDITORS OF LAMCO INVESTMENTS LTD.

Please be advised that LAMCO INVESTMENTS LTD. filed a Notice of Intention to Make a Proposal on August 27, 2010 under Section 50.4 the *Bankruptcy and Insolvency Act*. A copy of this Notice is enclosed.

This is a procedure whereby a debtor, with creditor and Court approval, reorganizes its financial affairs. Our role as Trustee in this matter is to assist the debtor with the development of the Proposal, to liaise with creditors so as to fully explain the Proposal to them and to support and facilitate the decision-making process which creditors will ultimately undertake, ending with their acceptance or rejection of the Proposal.

All liabilities, actual and contingent, of LAMCO INVESTMENTS LTD. as at August 27, 2010 are subject to the Proposal mentioned above and are fixed by Section 62(1.1) of the *Bankruptcy and Insolvency Act* as at that date.

All creditors are stayed from commencing or continuing any actions as against LAMCO INVESTMENTS LTD. until the Proposal is dealt with by the creditors.

LAMCO INVESTMENTS LTD. has thirty (30) days from the date of filing the Notice of Intention to Make a Proposal subject to Court approved extensions of this time period, to lodge a Proposal with us so that we may file it with the Official Receiver.

We will be calling a meeting of creditors to consider the Proposal within twenty-one (21) days of the date on which the Proposal is filed. You will receive Notice of the meeting along with all other necessary documents including the proof of claim form, voting letter, at least ten days in advance of the meeting.

Please feel free to contact Joshua Samson 416-963-7133 (main office 416-929-2500), if you require any further information with respect to this matter.

Sincerely,

SOBERMAN INC.
Trustee acting in re: the Proposal of
LAMCO INVESTMENTS LTD.

Encls.



Office of the Superintendent
of Bankruptcy Canada

An Agency of
Industry Canada

Bureau du surintendant
des faillites Canada

Un organisme
d'Industrie Canada

District of Ontario
Division No. 05 - London
Court No. 35-1399204
Estate No. 35-1399204

In the Matter of the Notice of Intention to make a
proposal of:

LANCO INVESTMENTS LTD.
Insolvent Person
SOBERMAN INC.
Trustee

Date of the Notice of Intention:

August 27, 2010

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: August 27, 2010. 15:38

E-File/Dépôt Electronique

Official Receiver

Federal Bldg., 451 Talbot St., Rm 303, London, Ontario, Canada, N6A5C9, (519)645-4034

Canada

District of:
Division No. *
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, LAMCO INVESTMENTS LTD., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Soberman Inc. of 2 St. Clair Ave East, 10th Floor, Toronto, ON, M4T 2T5, a licensed trustee, have consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 27th day of August 2010.


LAMCO INVESTMENTS LTD.
Insolvent Person

To be completed by Official Receiver:

Filing Date _____

Official Receiver

BANKRUPTCY AND INSOLVENCY ACT

**IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A CORPORATION OPERATING
IN THE CITY OF LONDON
PROVINCE OF ONTARIO**

STAY OF PROCEEDINGS

TAKE NOTICE THAT:

Lamco Investments Ltd. filed a Notice of Intention to make a Proposal pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act (Canada)* on August 27, 2010, a copy of which is attached.

Under Section 69(1)(a) of the *Bankruptcy and Insolvency Act (Canada)*:

No creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy.

Under Section 69(1)(b) of the *Bankruptcy and Insolvency Act (Canada)*:

No provision of a security agreement between the insolvent person and a secured creditor that provides, in substance, that on


- i. the insolvent person's insolvency,
- ii. the default by the insolvent person of an obligation under the security agreement, or
- iii. the filing by the insolvent person of a notice of intention under Section 50.4,

the insolvent person ceases to have such rights to use or deal with assets secured under the agreement as the Debtor would otherwise have, has any force or effect.

This Stay of Proceedings will be in effect until the Proposal is dealt with by creditors, or the company becomes Bankrupt.


Dated at the City of Toronto, Province of Ontario this 30th day of August 2010.

Soberman Inc. - Trustee


2 St. Clair Ave East, 16th Floor
Toronto ON M4T 2T5
Phone: 416-929-2500 Fax 416-929-2535

- FORM 33 - Continued -

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
A.F.T. Hardware Inc.	P.O. Box 77292 RPO Courtney Park ON Mississauga ON L5T 2P4		1,384.00
AAA	Mail Stop 2 1000 AAA Drive Heathrow FL 32745-5083 USA		1,250.00
Air Conditioning Services	PO Box 2741 London ON N6A 4H4		684.88
BANK OF NOVA SCOTIA	c/o BANKRUPTCY HIGHWAY BOX 57180 Toronto ON M5Y 3Y2	86482 00781 78-03	250,000.00
Bell Canada 4900-810	PO Box 9000 Station Don Mills North York ON M3C 2K7		1,323.10
BFI	467 Newbold Street London ON N6E 1V5	C13-0000878	588.12
Brewers Retail Inc.	280 Sovereign Road London ON N8M 1B3		2,638.35
Chum Satellite Services	280 Hillhurst Road, Unit #6 Markham ON L8C 3A1	TRA350	718.61
Colo-Op Laundry Equipment	301 Matheson Blvd, West Mississauga ON L5R 3G3		507.97
Collo Estate Wines	1 Collo Drive, Box 372 Harrow ON N0R 1G0		1,172.55
Contact Creative Services Inc.	1180 Wilson Grove Road London ON N6M 1C8		842.70
CRA - GST - Intake Insolvency REVENUE COLLECTIONS DIVISION	451 Talbot St., 3rd Floor London ON N6A 4R3	13593 9288 RT0001	84,011.09
Creative Business Forms	288 Worthington Street W., Suite 7 North Bay ON P1B 3B4		920.95
Ecolab	PO Box 2010 Mississauga ON L4T 4H6	90055357	582.33
Excellent Signs & Displays	2738 Dingman Drive London ON N6M 1G4		842.89
Fortress Group Inc.	85 Balfin Place Waterloo ON N2V 2C1	690612/693270/695884/6 95855/6934	2,548.59
G&K Services Canada Inc.	9085 Twin Oaks Drive Windsor ON N9M 5B8	16900-02	1,370.20



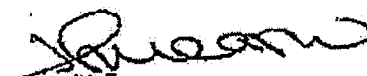
- FORM 33 - Continued -

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Gala Galore	54 Somcrest Rd. London ON N6K 3M7		325.50
GE Finance Canada Real Estate Finance Inc.	c/o Gowlings LLP attention Christopher Alam 1 First Canadian Place 100 King St. W Suite 1800 Toronto ON M5X 1G5	GE Loan #4161612-001	3,701,107.89
HD Supply Canada Inc	T6127 PO Box 6127, Postal Station "F" Toronto ON M4Y 2Z2	5001085	1,074.55
Hickey Appliances Parts Ltd	545 First Street London ON N5V 1Z5		759.43
Holland Cleaning Solutions Ltd.	4596 Rhodes Drive Windsor ON N6W 5C2	164504	2,858.36
Home Depot	PO Box 4809 Stn A Toronto ON M9W 4Z5	603529451000333	368.81
Johr's Fruit & Vegetables Ltd	22 Matland Street London ON N6B 3L2	Ramada	3,920.91
KPMG	Suite 1100 University Centre 383 University Avenue Toronto ON M5G 2N9	60111119	12,390.00
Lambeth Business Machines Inc	Suite 121, 4086 Meadowbrook Drive London ON N6L 1G4		492.61
Leavoy Rowe Beef Co.	2576 Wharton Glen Ave. Mississauga ON L4X 2A9		1,001.88
LodgeNet Interactive (Canada) Corp.	292 Walker Drive, Unit 1 Brampton ON L6T 4Z1	40978	606.27
London Chamber of Commerce	101-244 Pall Mall Street London ON N6A 5P6		378.00
London City Life Magazine	1147 Gainsborough Road London ON N6H 5L5	540088777841009233	1,569.23
London Hydro - Electricity	111 Horton Street PO Box 3060 London ON N6A 4J8	248596-4539798	29,796.04
London Hydro-Water	111 Horton Street PO Box 3060 London ON N6A 4J8	4354700	5,794.28
Miles E. C. Backhouse	295 Malton Blvd. E Mississauga ON L4Z 1X8	File#10-0573	5,729.56
MINISTRY OF REVENUE (PST) MANAGER, INSOLVENCY UNIT	RETAIL SALES TAX BRANCH BOX 620, 33 KING ST WEST Oshawa ON L1H 8H5	13553 9286 RT0001	72,117.48



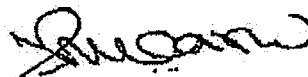
- FORM 33 - Continued -

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ORHMA	2600 Skymark Avenue, Suite 201 Mississauga ON L4W 5B2	31835	553.70
Pinewood Horticultural Services Inc.	57 Timber Dr. London ON N6K 1Y8		3,262.28
Point of Presence Technologies	114 Parliament Street Toronto ON M5A 2Y8		3,859.15
Ramada Franchise Systems - Royalty fee	95 Wellington St. W., 16th Flr Mailroom Toronto ON M5J 2N7	Site#7849,	120,030.55
Ramada Franchise Systems - TAC	PO Box #14 95 Wellington St. W. 16th Floor Toronto ON M5J 2N7	Site#7849,	65,580.78
Resource Software International	300-40 King Street West Oshawa ON L1H 1A4		1,152.60
ROGERS COMMUNICATIONS INC.	C/O DRN COMMERCE INC. P.O. BOX 2514 London ON N6A 4G9	232-319514005	2,422.93
Simmons Canada Inc	1 - 2550 Meadowvale Blvd. Mississauga ON L5N 8C2	PN	55,508.22
SOCAN	41 Valleybrook Drive Toronto ON M8B 2S8	Fee Jul06-Jul07/Aug07-12/08	4,303.44
Stratford & District Chamber of Commerce	208A Caradoc Street Stratford ON N7G 2M8		335.00
Summit Food Service Distributors Inc	580 Industrial Road London ON N6V 1V1	45390	13,851.36
Sysco Food Services of Central Ontario	7033 Kennedy Road Mississauga ON L5S 1Y7	1043615000	3,285.86
Sysco General Supply	570 Mulherson Blvd. E. Unit 5 Mississauga ON L4Z 4G3		1,812.44
The Corporation City of London	PO Box 5258 London ON N6A 5M6	050 660 42600 000A6	203,524.53
Three Chiefs Wine Company Ltd	41 Buelah Ave. Hamilton ON L8P 4H2		568.21
ThyssenKrupp Elevator	410 Patmore Ave., Unit 1 Toronto ON M1V 5C3	Contract#23 RAM001	701.32
Tourism London	267 Dundas Street, Suite 201 London ON N6A 1H2		731.85
True North Distributors Ltd	PO Box 721 Sarnia ON N7T 7J7	N6ER1	2,429.99



- FORM 33 -- Concluded -

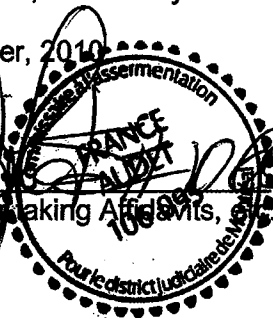
List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claims Amount
Union Gas	PO Box 2025 Chatham ON N7M 6C7	225-3990-204-8990	2,570.39
Wilson's Office Solutions Inc	Box 419 Clinton ON N0M 1L0	2045	332.34
Winstam Fabrik Canada Ltd.	25 Milhorn Blvd. Thorntill ON L3T 7N5	Ramadi.	6,268.21
Woodward Meat Purveyors	1348 Spears Road Oakville ON L6L 5V3		555.89
Zee Medical Service Co.	4080 North Service Road East, Unit B-11 Windsor ON N8W 5X2		317.12
Total			4,686,048.13

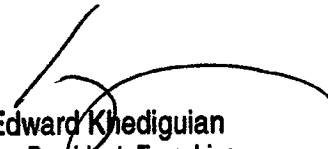


This is **Exhibit "R"** to the
Affidavit of Edward Khediguian
sworn before me, this 4th day of

October, 2010


A Commissioner for Taking Affidavits, of




Edward Khediguian
Vice President, Franchise

Court File No. 35-1399204

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE

) FRIDAY, THE 24TH DAY

JUSTICE

T. DILLON

) OF SEPTEMBER, 2010

IN THE MATTER OF THE PROPOSAL OF
LAMCO INVESTMENTS LTD.
A COMPANY CONTINUED PURSUANT TO
THE LAWS OF THE PROVINCE OF ONTARIO
WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

ORDER

THIS MOTION, made by Lamco Investments Ltd. (the "Debtor"), an insolvent person, for an order abridging the time for service of this Notice of Motion and extending the time for the Debtor to file its proposal to October 12, 2010 was heard this day at 80 Dundas Street, London, ON N6A 6A3.

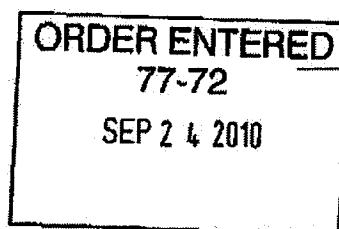
ON READING the affidavit of Altaf Mohamed sworn September 21, 2010, the responding motion record of Soberman Inc. in its capacity as Proposal Trustee and on hearing the submissions of counsel for the Debtor,

1. **THIS COURT ORDERS** that if necessary, the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

-2-

2. **THIS COURT FURTHER ORDERS** that the date for filing the Debtor's proposal be and it is hereby extended from September 25, 2010 to the close of business on October 12, 2010.

3. **THIS COURT FURTHER ORDERS** that the balance of the motion is hereby adjourned to OCT 12/10.



IN THE MATTER OF THE PROPOSAL OF LAMCO INVESTMENTS LTD. A COMPANY
CONTINUED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO WITH A HEAD
OFFICE IN THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

ONTARIO

SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding Commenced at London

ORDER

BLANEY McMURTRY LLP

Barristers and Solicitors
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

Domenico Magisano (LSUC #45725E)

Tel: (416) 593-2996
Fax: (416) 593-5437

Lawyer for the Lamco Investments Ltd.

Court File No.: 31-1175668

IN THE MATTER OF THE PROPOSAL OF LAMCO INVESTMENTS LTD. A COMPANY CONTINUED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

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

(PROCEEDING COMMENCED AT TORONTO)

AFFIDAVIT OF EDWARD KHEDIGUIAN
(Sworn October 4, 2010)

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

Neil S. Abbott (LSUC #32715Q)
Tel: (416) 862-4376
Fax: (416) 863-3509

Frank Lamie (LSUC# 54035S)
Tel: (416) 862-3609
Fax: (416) 862-7661
Solicitors for GE Canada,
GE Equipment and GE Capita

IN THE MATTER OF THE PROPOSAL OF LAMCO INVESTMENTS LTD. A COMPANY CONTINUED PURSUANT TO THE LAWS OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE IN THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD
(Returnable October 12, 2010)

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors

1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Neil Abbott (LSUC# 32715Q)
Frank Lamie (LSUC #54035S)

Telephone: (416) 862-4376 / (416) 862-3609
Facsimile: (416) 862-3476 / (416) 862-7661

**Solicitors for GE CANADA,
GE EQUIPMENT, AND GE CAPITAL**