

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

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

**MOTION RECORD
(Returnable January 8, 2015)**

Date: December 23, 2014

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its capacity as Receiver Pembroke
Residence Ltd.*

TO: ATTACHED SERVICE LIST

SERVICE LIST

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**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF FINANCE**

(Income Tax, PST)
PO Box 620
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Attention: Kevin J. O'Hara

Email: kevin.ohara@ontario.ca

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTRY OF REVENUE (OSHAWA)**

Revenue Collections Branch
33 King Street West
PO Box 627
Oshawa, Ontario
L1H 8H5
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CITY OF TORONTO

Revenue Services Division
5100 Yonge Street, Lower Level
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Tel: (416) 395-1238
Fax: (416) 696-3605

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

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

**NOTICE OF MOTION
(Returnable January 8, 2015)**

A. Farber & Partners Inc. (“**Farber**”), in its capacity as Receiver of Pembroke Residence Ltd. (the “**Receiver**”), will make a motion to a judge presiding over the Commercial List on Thursday, January 8, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR an Order substantially in the form of the draft Order annexed hereto as **Schedule “A”**, including, without limitation:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the Second Report of the Receiver dated December 19, 2014, (the “**Second Report**”) and approving the actions of the Receiver as described therein;
- (c) sealing Appendix H to the Second Report (the “**Confidential Appendix**”) until further order of this Court;
- (d) approving the agreement of purchase and sale entered into between the Receiver and Kevin Sit Investments Inc. (the “**Stalking Horse Offer**”);
- (e) approving the sales process detailed in Appendix G to the Second Report (the “**Stalking Horse Sale Process**”); and
- (f) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) the principal asset of Pembroke Residence Ltd. (the “**Debtor**”) is a hotel business located at 117 Pembroke Street, Toronto, Ontario;
- (b) the Receiver obtained an appraisal of the Pembroke Hotel prior to marketing the Property;
- (c) the principal economic stake holders, based upon the anticipated value of the hotel would be the first and second mortgagees;
- (d) the second mortgagee has expressed an interest in purchasing the hotel and the Receiver negotiated a form of stalking horse bid with the second mortgagee;
- (e) the Stalking Horse Sale Process will maximize the anticipated value to be received from the Hotel and maintain the value during the marketing process in that it shows that there will be a buyer at the end of the process and the offer establishes a benchmark for other potential buyers.
- (f) the Receiver considers the terms of the Stalking Horse Bid to be reasonable in the circumstances;

- (g) a sealing order is required because the Confidential Appendix contains certain commercially sensitive information, the release of which could prejudice the stakeholders of the Debtor, particularly if a transaction pursuant to the Stalking Horse Sales Process does not close; and
- (h) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Second Report of the Receiver; and
- (b) such further and other material as counsel may submit and this Court may permit.

Date: December 23, 2014

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*Lawyers for A. Farber & Partners Inc., in
its capacity as Receiver Pembroke
Residence Ltd.*

TO: ATTACHED SERVICE LIST

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**NOTICE OF MOTION
(returnable January 8, 2015)**

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Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.

Tab A

SCHEDULE "A"

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY, THE 8TH DAY
)
JUSTICE) OF JANUARY, 2015

B E T W E E N :

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondent

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

ORDER

THIS MOTION, made by A. Farber & Partners Inc. ("**Farber**"), in its capacity as the Court-appointed receiver (in such capacity, the "**Receiver**"), without security, of all the assets, undertakings and properties (collectively, the "**Property**") of Pembroke Residence Ltd. (the "**Debtor**"), for an order, amongst other things, approving the report of the Receiver dated December 19, 2014 (the "**Second Report**") and the stalking horse bid process outlined therein, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the appendices thereto, and on hearing the submissions of counsel for the Receiver and Kevin Sit Investments Inc. ("**KSI**"), no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Paula Hoosain sworn December 23, 2014, filed,

1. **THIS COURT ORDERS** that the time for service and filing 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. **THIS COURT ORDERS** that the Second Report and the activities of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS** that **Appendix "H"** to the Second Report be and is hereby sealed until further Order of this Court.

4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to enter into an agreement to sell the Debtor's Property to KSI, substantially in accordance with the Agreement of Purchase and Sale attached as **Appendix "F"** to the Second Report (the "**Stalking Horse Bid**"), subject to the terms of this Order.

5. **THIS COURT ORDERS** that the completion of the sale contemplated in paragraph 4 of this Order shall be conditional upon the Receiver not receiving a bid from a purchaser other than KSI on or before 5:00 p.m. (Toronto time) on February 10, 2015 (the "**Bid Deadline**") that the Receiver considers, in its sole discretion, to be superior to the Stalking Horse Bid, and which must:

- (a) be accompanied by a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid, and a deposit in the amount equal to at least 10% of the aggregate purchase price under the subject competing bid by way of bank draft or certified cheque payable pursuant to the terms of the subject competing bid and which is not subject to any encumbrances;
- (b) remain open for acceptance and completion until 3:00 p.m. (Toronto time) on February 19, 2015;
- (c) be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;

- (d) not contain any contingency relating to due diligence or financing or any other material conditions precedent to the subject bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
- (e) specify the assets that are subject to the subject competing bid, including, without limitation, any executory contracts and unexpired leases;
- (f) be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by the competing bid on the terms specified therein; and
- (g) contain, among other things, an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee (as such term is defined in the Stalking Horse Bid) and an additional sum of \$50,000.00.

Every bid which meets the requirements above will be a "**Competing Bid**" and each person who submits a Competing Bid will be a "**Competing Bidder**".

6. **THIS COURT ORDERS** that the marketing and sale process (the "**Sale Process**") with respect to any or all of the Property be and is hereby approved as follows:

- (a) the Receiver shall solicit potential purchasers by:
 - (i) sending out a teaser letter to parties in the same industry as the Debtor, and to other potential purchasers as identified by the Receiver, or as soon as reasonably practicable after the issuance of this Order;
 - (ii) placing an advertisement in the Globe & Mail (National Edition) within five (5) business days of the issuance of this Order; and
 - (iii) providing to any potential purchasers who execute a confidentiality agreement on terms satisfactory to the Receiver: (1) access to an electronic data room containing information reasonably required by prospective purchasers of the Debtor's Property to consider submitting a Competing

Bid and facilitate the conduct of due diligence by prospective purchasers;
and (2) an electronic copy of the Stalking Horse Bid;

- (b) any interested purchaser shall submit a formal offer to purchase the Property in the form of an asset purchase agreement (with a copy blacklined against the Stalking Horse Bid), which includes the Terms and Conditions attached hereto as **Schedule "A"**, and an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee (as such term is defined in the Stalking Horse Bid) and an additional sum of \$50,000.00, and a deposit equal to at least 10% of the aggregate purchase price under the subject bid by way of bank draft or certified cheque payable to the Receiver on or before the Bid Deadline;
- (c) the Receiver shall review any formal bids received by the Bid Deadline and determine if there are one or more Competing Bids;
- (d) if there is no Competing Bid, the Receiver shall bring a motion as soon as reasonably possible thereafter for approval of the Stalking Horse Bid and an order to vest the Debtor's Property in KSI and proceed with closing the transaction forthwith;
- (e) if there is only one Competing Bid, the Receiver shall bring a motion as soon as reasonably possible thereafter for approval of the Competing Bid and an order to vest the Debtor's Property in the Competing Bidder, proceed with closing the transaction forthwith and distribute the Break-Up Fee (as such term is defined in the Stalking Horse Bid) from the proceeds of the transaction to KSI;
- (f) if there is more than one Competing Bid, the Receiver shall send out invitations on or before 10:00 a.m. (Toronto time) on February 13, 2015, or as reasonably practicable, to all Competing Bidders who have submitted a Competing Bid, but not to KSI, inviting the Competing Bidders to attend an auction (the "**Auction**") to be conducted by the Receiver at 10:00 a.m. (Toronto time) on February 18, 2015, at the offices of the Receiver, or otherwise as may be determined by the

Receiver, in its sole discretion, together with a set of rules for the conduct of the Auction, and a copy of the most favourable Competing Bid (the “**Lead Bid**”); and

- (i) the Receiver shall conduct the Auction by soliciting bids, starting at a minimum of \$50,000.00 increments above the amount of the Lead Bid, for which each bid must exceed the aggregate purchase price payable pursuant to the preceding bid by no less than \$50,000.00 and for which all consideration in excess of the amount set forth in the Lead Bid must be comprised only of cash consideration;
 - (ii) the Receiver may establish such timelines and protocols for the Auction as it considers appropriate, in its discretion, which will not be inconsistent with the terms of this Order;
 - (iii) the “**Winning Bidder**” shall be: (1) if there are no bids at the auction, the person with the Lead Bid; or (2) the bidder with the highest qualified bid at the Auction;
 - (iv) upon acceptance of the bid of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Receiver; and
 - (v) the Receiver shall make a motion to this Court, forthwith, to obtain an order to approve the agreement with the Winning Bidder and to vest the Debtor’s property in the Winning Bidder, proceed with closing the transaction forthwith and distribute the Break-Up Fee (as such term is defined in the Stalking Horse Bid) from the proceeds of the transaction to KSI.
-

SCHEDULE "A"

TERMS AND CONDITIONS OF SALE

1. THE VENDOR

1.1 A. Farber & Partners Inc. solely in its capacity as the Court-appointed receiver (the "**Receiver**" and/or the "**Vendor**"), without security, of all the assets, undertakings and properties (collectively, the "**Assets**") of Pembroke Residence Ltd. (the "**Company**"), is offering for sale by bid and auction all of the Assets. A list of the Assets for sale is outlined on **Schedule "A"** attached hereto.

1.2 The Receiver has obtained an Order of the Ontario Superior Court of Justice (Commercial List) dated January 8, 2015 (collectively, the "**Stalking Horse Order**") which sets out, *inter alia*, the terms, conditions of sale and a timetable for bidding and an auction with respect to the purchase and sale of the Assets (the "**Sale Process**"), as further outlined below (a copy of the Stalking Horse Order is attached hereto as **Schedule "B"**).

2. THE SALE PROCESS

2.1 The Stalking Horse Order recognizes the initial bid from Kevin Sit Investments Inc. ("**KSI**"). The initial bid by KSI is contained in an Agreement of Purchase and Sale dated as of December 3, 2014, executed by the Receiver and KSI (the "**Agreement of Purchase and Sale**") (a copy of the Agreement of Purchase and Sale is attached hereto as **Schedule "C"**) as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"), in the amount of \$4,500,000.00, subject to adjustment, as further provided in the Agreement of Purchase and Sale, plus any and all retail sales taxes (including any goods and services taxes) and all other transfer taxes, duties or other like charges payable upon or in connection with the subject transaction (collectively, the "**Taxes**").

2.2 The Stalking Horse Order provides for, *inter alia*, the marketing and sale of the Assets by the Receiver and a competitive bidding and auction procedure, to be administered by the Receiver, in order to determine if a materially higher price (compared to the Stalking Horse Bid) can be obtained for the sale of the Assets.

2.3 In consideration for KSI's expenditure of time and money in acting as the initial bidder in the Stalking Horse Bid and the preparation of the Agreement of Purchase and Sale, and in performing due diligence pursuant to the Agreement of Purchase and Sale, the Stalking Horse Order provides for liquidated damages in the amount of \$250,000.00 (the "**Break-Up Fee**"), payable by the Vendor to KSI in the event that a materially higher offer than the offer advanced by KSI pursuant to the Stalking Horse Bid is obtained for the Assets through the Sale Process and, as a consequence, the Vendor sells all, or substantially all of the Assets to a person or entity other than KSI.

2.4 In addition, the Stalking Horse Order provides that in order to be accepted by the Receiver, any competing bid ("**Competing Bid(s)**") for the Assets must be on substantially the same terms and conditions as those terms and conditions contained in the Agreement of Purchase

and Sale, except with respect to price (any Competing Bid(s) that are accepted by the Vendor as superior bid(s) to the Stalking Horse Bid are referred to herein as the “**Superior Bid(s)**”).

2.5 In order for any Competing Bid to be accepted by the Receiver as a Superior Bid to the Stalking Horse Bid, the Competing Bid must meet all of the following minimum criteria:

- (a) the Competing Bid must be accompanied by a duly executed agreement of purchase and sale, blacklined against the Stalking Horse Bid, showing any and all variations from the Stalking Horse Bid, and a deposit in the amount equal to at least 10% of the aggregate purchase price under the subject competing bid by way of bank draft or certified cheque payable pursuant to the terms of the subject competing bid and which is not subject to any encumbrances;
- (b) the Competing Bid must remain open for acceptance and completion until 3:00 p.m. (Toronto time) on February 19, 2015;
- (c) the Competing Bid must be on terms no less favourable and no more burdensome or conditional than the terms of the Stalking Horse Bid;
- (d) the Competing Bid must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the subject bidder's obligation to close that are not otherwise contained in the Stalking Horse Bid;
- (e) the Competing Bid must specify the assets that are subject to the subject competing bid, including, without limitation, any executory contracts and unexpired leases;
- (f) the Competing Bid must be made by one or more bidders who can demonstrate the financial ability to consummate the transaction contemplated by the competing bid on the terms specified therein; and
- (g) the Competing Bid must contain, among other things, an aggregate purchase price at least equal to the Stalking Horse Bid, plus the Break-Up Fee and an additional sum of \$50,000.00.

3. COMPETING BID OFFERS

3.1 Sealed bids marked “DO NOT OPEN - BID – PEMBROKE RESIDENCE LTD” shall be delivered or mailed postage prepaid to A. Farber & Partners Inc., Receiver of Pembroke Residence Ltd., Attention: Hylton Levy, so as to be received by the Receiver on or before 5:00 p.m. (Toronto time) on February 10, 2015.

3.2 Every Competing Bid must be in writing and submitted in the form of an amended Agreement of Purchase and Sale, as provided herein. Any Competing Bids received by the Receiver that are not in the correct form may be rejected immediately by the Receiver, acting in its sole and unfettered discretion.

3.3 The opening of any Competing Bid(s) received by the Receiver will be conducted between February 10, 2015 and February 13, 2015, in private and in the presence of representatives of the Receiver and its solicitors.

3.4 In consideration of the Receiver receiving any Competing Bid and upon receipt by the Receiver of any such Competing Bid, the competing bidder shall not be entitled to retract, withdraw, revoke, vary or countermand its Competing Bid.

3.5 In the event that any Competing Bids received by the Receiver are on substantially the same terms, conditions and/or amounts of one another, the Receiver may, subject to the approval of the Court, call upon such competing bidders to submit further bids.

3.6 No Competing Bid may contain proposals to vary, amend or supplement these Terms and Conditions of Sale.

3.7 Any documentation or other materials provided to prospective bidders relating to the Assets have been prepared solely for the convenience of prospective bidders and is not warranted to be complete or accurate, and do not form part of these Terms and Conditions of Sale. Every bidder shall be deemed to have relied entirely on its own inspection and investigation of the Assets and the title thereto.

3.8 By submitting an offer to purchase the Assets, the bidder acknowledges that it has inspected the Assets and that the Assets are being sold on an "*as is, where is*" basis at the time of closing and that there is no representation, warranty or condition, expressed or implied, statutory or otherwise, as to title, encumbrances, description, fitness for any purpose, merchantability, quality, quantity, state, condition (environmental or otherwise), defect (patent or latent), existence, location, value, the validity or enforceability of any rights (including intellectual property rights, any requirement for licenses, permits, approvals, consents for ownership, occupation or use or compliance with any government laws, regulations, bylaws and orders or in respect of any other matter or thing whatsoever. The Assets are specifically offered, as they now exist with no adjustments to be allowed for changes in conditions, qualities or quantities of such parcels from the date hereof to the Closing Date (as the term is defined below) of the contemplated transaction. The bidder acknowledges that the Receiver is not required to inspect or count, or provide any inspection or counting, of the Assets or any part thereof and the bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation. It shall be the bidder's sole responsibility to obtain, at its own expense, any consents to such transfer of the Assets and any further documents or assurances which are necessary or desirable in the circumstances.

3.9 The Receiver, at its sole and unfettered discretion, may waive or vary any or all of the terms and conditions contained hereof.

4. DEPOSIT

4.1 Competing Bids shall be stated in Canadian currency and must be accompanied by a deposit in the form of a draft of or a cheque certified by a Canadian bank payable to "A. Farber & Partners Inc., Receiver of Pembroke Residence Ltd., in trust." The deposit for any Competing Bid shall be ten percent (10%) of the aggregate purchase price payable under the

subject Competing Bid. If a Competing Bid is accepted to be the Winning Bid (as the term is defined below), the subject deposit shall be deemed to be a cash deposit and will be applied by the Vendor towards the purchase price of the Assets on closing of the contemplated transaction.

4.2 Cheques accompanying Competing Bids that are not accepted by the Receiver to be Superior Bids will be returned to the respective bidder(s) by prepaid ordinary mail addressed to the respective competing bidders at the address set out in their offers.

5. THE AUCTION PROCESS AND THE WINNING BID

5.1 If there are two or more Superior Bids that meet the above conditions, the Receiver will distribute to the makers of these Superior Bids, on or before 10:00 a.m. (Toronto time) on February 13, 2015, the following:

- (a) an invitation to an auction of the Assets to be held at 10:00 a.m. (Toronto time) on February 18, 2015 at the offices of the Receiver, or otherwise as may be determined by the Receiver, in its sole discretion (the “**Auction**”);
- (b) a copy of the bid that the Receiver, acting in its sole and unfettered discretion, having regard to all of the features of the bids, believes to be the most favourable bid as between the Stalking Horse Bid and all of the Superior Bids (the “**Lead Bid**”); and
- (c) a copy of a set of rules for the conduct of the Auction, established by the Receiver, acting in its sole and unfettered discretion, with a view of maximizing the price for the Assets (the “**Auction Rules**”), provided that the Auction Rules shall in all events provide that: (i) all bids made at the Auction shall be in accordance with the terms and conditions of the Lead Bid, except for the aggregate purchase price which will be subject to improvement through bidding in the Auction; (ii) each bid made in the course of the Auction shall exceed the aggregate purchase price payable pursuant to the preceding bid (or, in the case of the first bid made at the Auction, the Lead Bid) by no less than \$50,000.00 increments, solely for the purpose of determining the successful bid at the Auction, and all amounts in excess of the amount of the Lead Bid shall be entirely comprised of cash consideration; and (iii) the highest bid received at the Auction shall be the “winning bid” (the “**Winning Bid**”).

5.2 Upon acceptance of the Winning Bid at the Auction, there shall be a binding agreement of purchase and sale between the successful winning bidder (the “**Purchaser**”) and the Vendor of the Assets (the “**Winning Bid Agreement**”), with respect to which the Winning Bid was accepted by the Vendor. The Winning Bid Agreement shall be constituted by:

- (a) the Stalking Horse Bid or one of the Superior Bids, as the case may be, as amended pursuant to the Auction;
- (b) these Terms and Conditions of Sale;

- (c) the amended Agreement of Purchase and Sale submitted by the Purchaser, as amended pursuant to the Auction; and
- (d) the acceptance of the Winning Bid.

5.3 The Receiver will make a motion to the Court, forthwith, to obtain an order to approve the agreement with the Purchaser and to vest the Company's property in the Purchaser. Thereafter, the Receiver will advise the Purchaser of the outcome of the said motion and proceed with closing the transaction forthwith.

5.4 Title to the Assets shall not pass to the Purchaser nor shall the Purchaser be entitled to possession of same until the purchase price and all other payments to be made by the Purchaser pursuant to the Winning Bid Agreement have been paid in full, and the Purchaser has complied with all of its covenants contained herein and in the Winning Bid Agreement, which shall have been duly executed and delivered to the Vendor.

5.5 The Vendor shall not be required to pay any commission with respect to a sale made pursuant to these Terms and Conditions of Sale.

6. CLOSING DATE

6.1 The closing of the contemplated transaction shall take place at the office of the Vendor's solicitors, Aird & Berlis LLP, at the later of February 25, 2015 or the third business day following the effective date of an Order of the Court approving the acceptance and completion of the Winning Bid (the "**Closing Date**").

6.2 The Vendor shall not be required to produce any abstract of title, title deed or documents or copies thereof or any evidence as to title pertaining to the Assets, other than those in its possession.

7. EVENT OF FORFEITURE

7.1 If the Purchaser fails to comply with the terms and conditions of the Winning Bid Agreement, or any of them, all deposits shall be forfeited to the Vendor on account of agreed liquidated damages, the Assets being conveyed to the Purchaser may be resold by the Vendor, and the Purchaser shall pay to the Vendor on demand: (i) an amount equal to the amount, if any, by which the purchase price under the Winning Bid Agreement exceeds the net purchase price received by the Vendor pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred by the Vendor in respect of or occasioned by the Purchaser's failure to comply with the Winning Bid Agreement.

8. GENERAL

8.1 A. Farber & Partners Inc. is acting solely in its capacity as the Receiver, without security, of the assets, undertakings and properties of the Company and shall have no personal or corporate liability hereunder or from any agreement contemplated hereby or as a result of any contemplated sale.

8.2 The terms and conditions contained herein shall not merge on the closing of the transaction contemplated herein but shall survive such closing and remain in full force and effect and be binding on the Purchaser thereafter.

8.3 The terms and conditions hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.4 The terms and conditions contained herein shall enure to the benefit of and be binding upon the parties thereto and their permitted heirs, executors, administrators, successors or assigns, as the case may be.

8.5 Unless otherwise provided herein, any tender of documents or money hereunder may be made upon the Vendor or the Purchaser, or their respective solicitors. Money may be tendered by cheque certified by a Canadian chartered bank, Canadian trust company or by bank draft.

8.6 The obligations of the Vendor to complete any agreement contemplated herein or hereby shall be relieved if, on or before the closing of such sale, the Assets or any part thereof which are the subject of the sale have been removed from the control of the Vendor by any means or process, enjoined, or the Assets, or any part thereof, are redeemed, whereupon the only obligation of the Vendor shall be to return the applicable deposit, without interest, deduction costs or compensation.

8.7 The Purchaser shall not assign the Winning Bid Agreement without the Receiver's prior written approval, which approval may be granted or withheld in the Receiver's sole and unfettered discretion.

8.8 Time is of the essence of any agreement entered into pursuant to these Terms and Conditions of Sale, any rule of law or equity to the contrary notwithstanding.

8.9 The Vendor reserves its rights, subject to Court approval, to withdraw the Assets or any part thereof on or before the Closing Date if there is any actual or threatened litigation with respect to any of the Assets or if any Asset has been redeemed or is subject to any lien or encumbrance which the Vendor cannot remove and the Purchaser will not assume. The Vendor shall be under no obligation to compensate any third party in order to complete any applicable agreement and shall return the deposit to the Purchaser without interest, costs or compensation.

8.10 Unless the context otherwise requires, words importing the singular include the plural and vice versa.

8.11 The submission of a bid by a resident of the Province of Quebec will be deemed to constitute the declaration and acknowledgement by such resident that it has requested these Terms and Conditions of Sale, the form of bid referred to herein and all other documentation relating to its bid and the acceptance thereof to be drawn up in the English language.

8.12 La présentation d'une soumission par une personne résident au Québec constituera la déclaration et la reconnaissance expresse par la soumissionnaire qu'il a consenti

que ces Termes et Conditions de Vente, la formule de soumission mentionnes en ceci et tous autres documents relatifs à la soumission et a son acceptation soient rédiges en langue anglaise.

DATED at Toronto, this _____ day of _____, 2015.

A. FARBER & PARTNERS INC., in its capacity as the Court-appointed receiver , without security, of the assets, undertakings and properties of Pembroke Residence Ltd., and not in its personal capacity

Per:

Name:

Title:

Schedule "A" to the Terms and Conditions of Sale
The Assets

The Assets include all of the Company's assets, undertakings and properties of every nature and kind whatsoever used in connection with the Company's business, and wherever situate, including without limitation, the following:

- (a) the real property legally owned by the Company and municipally known as 117 Pembroke Street, Toronto, Ontario, as well as all buildings and fixtures located thereon;
- (b) all furniture, fixtures and computer equipment not subject to specific financing agreements or leases;
- (c) all goods that are held by the Company for sale (whether such goods are saleable, obsolete or damaged) in relation to Company's business, including raw materials, work in progress or materials used or consumed in such business;
- (d) all of the Company's right, title and interest in and to equipment leases with the Company which may be assumed by the Purchaser;
- (e) all trade accounts receivable and other accounts receivable;
- (f) all customer lists and lists of prospective customers and marketing and sales databases;
- (g) the benefit of all unfulfilled orders received by and in favour of the Company;
- (h) any and all goodwill and trademarks of the Company, in whatever format, and including without limitation, all registered and unregistered trademarks, trade names, brand names, service marks, logos, copyrights, certification marks, drawings, permits, internet and electronic email addresses, URLs, telephone, telex and facsimile numbers, content of websites and domain names related to or connected with the Company's business, all related software and electronic code to the extent assignable and other similar intellectual property or intangibles of the Company;
- (i) all books and records relating to the Company's business, subject to any personal or confidential information protected by the *Canada Personal Information Protection and Electronic Documents Act*;
- (j) at the sole option of the purchaser, the full benefit of all contracts and leases, etc., to which the Company is entitled in connection with its business; and
- (k) all other tangible and intangible assets and property used in connection with the Company's business.

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
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Suite 1800, Box 754
181 Bay Street
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D. Robb English (LSUC # 19862F)
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*Solicitors for the A. Farber & Partners Inc., in its capacity as the
Court-appointed receiver of Pembroke Residence Ltd., and not in its
personal capacity*

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990 c. C.43, AS AMENDED WITH RESPECT TO PEMBROKE RESIDENCE LTD.
OPERATING AS KNIGHTS INN TORONTO**

**A. FARBER & PARTNERS INC.
COURT APPOINTED RECEIVER
SECOND REPORT OF THE RECEIVER
DECEMBER 19, 2014**

1. INTRODUCTION AND BACKGROUND

1. On July 4, 2014, Hands-On Capital Investments Inc. (“**HOC**”) made an application (the “**Application**”) to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the “**BIA**”), and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43 (the “**CJA**”), for the appointment of A. Farber & Partners Inc. (“**Farber**”) as receiver and manager (the “**Receiver**”) of all the assets, property and undertaking of Pembroke Residence Ltd. (“**Pembroke**” or the “**Debtor**”). A copy of the Application is attached hereto as **Appendix “A”**.

2. In conjunction with the Application, Farber provided to the Court a preliminary First Report of the Proposed Receiver (the “**First Report**”) for the purpose of, *inter alia*:

- a. seeking approval for the proposed sales process in respect of the Debtor’s business and assets (the “**Initial Sales Process**”); and,
- b. seeking authorization and approval from the Court to enter in to a management services contract (the “**Management Services Agreement**”) with HOC or another entity related thereto, to operate the Hotel.

A copy of the First Report is attached hereto as **Appendix “B”**.

3. By Order of the Honourable Mr. Justice Newbould dated October 17, 2014, Farber was appointed as Receiver of Pembroke by the Court. The Court Order, hereinafter referred to as the “**Appointment Order**”, is attached hereto as **Appendix “C”**.

4. Pembroke carries on business as a hotel under the banner of the Hotel Knights Inn Toronto (the “**Hotel**”), a Wyndham Hotel Group affiliate, pursuant to a franchise agreement dated March 2, 2012 (the “**Franchise Agreement**”) between Knights Inn Canada Franchise Systems Limited (the “**Franchisor**”) and Pembroke.

5. The Hotel is located at 117 Pembroke Street, Toronto, Ontario and is comprised of 51 guest rooms for overnight rental. The Hotel has been promoted as a low cost, high value option for short term travelers to the downtown Toronto core and long term lodgers alike. The Hotel amenities and facilities include an outdoor patio, a common room used for serving a limited breakfast offering, public computers for guests use, a flat-screen television in every room and wi-fi connectivity available throughout the Hotel. Pembroke is also the registered owner of the land on which the Hotel is situated (the land, building, facilities and chattels used in the Hotel's business are collectively defined as the "Property").

6. In addition to providing for the appointment of the Receiver, the Appointment Order provided for, *inter alia*, the approval of the Initial Sales Process and the authorization and direction to enter in to the Management Services Agreement with IM Hospitality Inc. (the "Manager"). A copy of the executed Management Services Agreement is attached hereto as **Appendix "D"**.

7. The Hotel has been operated by the Manager since October 17, 2014 (the "Appointment Date") of the Receiver, and under the supervision of the Receiver. Further actions taken by the Manager and Receiver since the date of appointment are described in greater detail throughout this Second Report to Court by the Receiver (the "Second Report").

8. The Receiver notes that all capitalized terms not defined herein shall be as defined in the First Report, unless otherwise stipulated.

2. PURPOSE OF REPORT

9. The Second Report is respectfully submitted to the Court for, *inter alia*, the purpose of:

- a. Reporting on the activities of the Manager and Receiver since the date of the Appointment Order and seeking approval of same;
- b. Reporting on the findings of the Receiver in respect of:

- i. the activities and conduct of the Debtor prior to the Appointment Date; and,
 - ii. the condition of the Property (as defined below) as ascertained by the Receiver subsequent to the Appointment Date;
- c. Reporting on an agreement of purchase and sale entered into by the Receiver for the Property (hereinafter referred to as the “**Pembroke APS**” or the “**Stalking Horse Bid**”) with Kevin Sit Investments Inc. (“**KSI**” or the “**Second Mortgagee**”), which is intended to be a stalking horse sale agreement;
 - d. Seeking approval of the proposed stalking horse marketing and sales process (the “**Sales Process**”) as a revision of the Initial Sales Process; and,
 - e. Seeking approval of the Pembroke APS and resulting Sales Process from the Court.

3. DISCLAIMER

10. In preparing this Second Report, the Receiver has relied upon certain unaudited, draft and/or internal financial information, the Debtor’s books and records, discussions with the Manager and Hotel Employees, and information from other third party sources (collectively, the “**Information**”). The Receiver assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Second Report or for any use which any party makes of this Second Report, or any reliance on, or a decision to be made, based upon it, other than for the express purposes set out in this Second Report.

11. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

4. RECEIVER’S ACTIVITIES

12. Since the Appointment Date, the Receiver’s activities have included, *inter alia*:
- a. Attending with the Manager at the Hotel on appointment to address security issues, meet with staff, review cash and accounting controls;
 - b. Taking possession of the Debtor’s books and records available at the Hotel;

- c. Backing up the Debtor's electronic accounting files to a portable hard drive and retaining hard copies of management financial statements;
- d. Contacting the Debtor's banking institution, the Canadian Imperial Bank of Commerce ("**CIBC**"), to establish the Receiver's control over what is reportedly the Debtor's sole bank account (the "**CIBC Account**");
- e. Reviewing the transactions completed by the Debtor in respect of the CIBC Account for the month of October 2014 leading up to the Appointment Date;
- f. Opening up a new estate bank account with the Toronto Dominion Bank (the "**TD Account**");
- g. Reviewing the Debtor's standing insurance policy (the "**Pembroke Policy**") with Aviva Insurance Company of Canada ("**Aviva**"), ensuring that the Pembroke Policy is in good standing and attempting to obtain a quote from Firstbrook, Cassie & Anderson Ltd. ("**FCA**") for additional and/or replacement insurance coverage for the operating Hotel;
- h. Terminating the employment of the Debtor's staff as of the Appointment Date, then hiring new employees and re-hiring certain key employees (collectively, the "**Hotel Employees**"), being eight of the eleven employees of the Debtor, under employment contracts with the Receiver to assist with running the Hotel and, generally, ensuring the continuity of business operations of the Hotel. The Receiver notes that of the three employees that were not rehired, two were part-time employees and students that chose not to return; the third employee was travelling abroad as at the Appointment Date and it is the understanding of the Receiver that she chose not to work for the Receiver on her return;
- i. Completing the corresponding applications for, and sending statutory notices to, the terminated employees of the Debtor pursuant to the requirements and provisions of the *Wage Earner Protection Program Act* ("**WEPPA**");

- j. Paying the Hotel Employees the respective amounts owed to them for outstanding wages and vacation pay owed to them pursuant to Section 81.4 of the BIA and making disclosure of said payments to Service Canada, as required under WEPPA;
- k. Offering a key staff member a performance bonus for continued service and assistance to the Receiver, that is due and payable on completion of the Receiver's administration;
- l. Establishing proper cash and sales control systems with the Hotel Employees and Manager in respect of ongoing operations of the Hotel;
- m. Establishing controls with the Manager and Hotel Employees for payment of ongoing Hotel operations expenses;
- n. Meeting with representatives of HOC, KSI and 1280584 Ontario Inc. ("**128**") (collectively, the "**Mortgagees**") to discuss matters relating the business operations of the Hotel and the Sales Process;
- o. Coordinating Receiver's Borrowings, as defined in the Appointment Order;
- p. Coordinating the attendance of the Canada Revenue Agency ("**CRA**") at the Hotel for the purpose of conducting a trust exam;
- q. Engaging an accredited and certified appraiser to provide a valuation of the Property;
- r. Coordinating the interest payment of \$20,000.00 to HOC in respect of its first charge mortgage held against the Property of the Debtor, as cash flow permitted at the time;
- s. Corresponding with prospective purchasers of the Property;
- t. Corresponding by email and telephone with the Debtor's creditors; and,
- u. Preparing, with the assistance of the Manager, due diligence materials for the Sales Process.

5. CONDUCT OF THE DEBTOR AND CONDITION OF THE PROPERTY

13. As noted above, upon appointment the Receiver conducted a review of the Debtor's recent financial transactions for the purpose of, among other things, establishing cash flow needs for the Hotel's operations going forward. As part of the review, the Receiver reviewed recent bank statements from the CIBC Account, interviewed key Hotel Employees, contacted various current and former service and product suppliers, and, inspected the Property with the assistance of the Manager.

14. The review by the Receiver revealed the following information:

- a. It was reported to the Receiver that there was only one debit card belonging to Ms. Munira Dewji that gave banking access to the CIBC Account, both at the branch and ATM's. Ms. Dewji did not turn over the debit card to the Receiver on attendance at the Property to serve the Appointment Order and take possession;
- b. The Hotel staff bookkeeper (the "**Bookkeeper**") had the debit card number and access code for viewing and making changes to the CIBC Account online;
- c. The Receiver noted certain transactions that occurred within 3 months prior to the Appointment date and coded as Branch Transaction Withdrawals on the bank statements, which are itemized as follows:
 - i. \$5,000.00 withdrawal from the Bayview and Major Mackenzie Drive CIBC branch (hereinafter referred to as "**Bayview CIBC**") on October 17, 2014;
 - ii. \$7,000.00 withdrawal from Bayview CIBC on October 16, 2014;
 - iii. \$4,007.50 withdrawal from Bayview CIBC on October 10, 2014;
 - iv. \$7,007.50 withdrawal from Bayview CIBC on October 7, 2014;
 - v. \$11,000.00 withdrawal from Bayview CIBC on September 30, 2014;
 - vi. \$11,007.50 withdrawal from Bayview CIBC on September 23, 2014;

- vii. \$11,007.50 withdrawal from Bayview CIBC on September 16, 2014;
 - viii. \$11,000.00 withdrawal from Bayview CIBC on September 9, 2014;
 - ix. \$9,350.00 withdrawal from Bayview CIBC on August 29, 2014;
 - x. \$9,350.00 withdrawal from Bayview CIBC on August 26, 2014;
 - xi. \$9,507.50 withdrawal from Bayview CIBC on August 19, 2014;
 - xii. \$9,350.00 withdrawal from Bayview CIBC on August 12, 2014;
 - xiii. \$9,350.00 withdrawal from the CIBC branch at Church and Carlton (hereinafter referred to as the “**Church CIBC**”) on August 5, 2014;
 - xiv. \$6,007.50 debit memo (bank draft) from the Church CIBC on July 29, 2014;
 - xv. \$10,000.00 withdrawal from Bayview CIBC on July 28, 2014;
 - xvi. \$5,507.50 withdrawal from Bayview CIBC on July 17, 2014;
 - xvii. \$5,007.50 withdrawal from the Church CIBC on July 14, 2014; and,
 - xviii. \$5,007.50 withdrawal from the CIBC branch at 460 University Avenue (hereinafter referred to as the “**University CIBC**”) on July 8, 2014.
- d. The cumulative total of the above-noted branch transactions is \$145,467.50 in withdrawals during the period from the date of the initial receivership Application to the Appointment Date. The Receiver notes that the Church CIBC is the closest CIBC branch in proximity to the Hotel, while the Bayview CIBC is reported to be the closest CIBC branch in proximity to Ms. Dewji’s residence. Copies of the CIBC Account bank statements for the months of July, August, September and October, 2014 (collectively, the “**Bank Statements**”) are attached hereto as **Appendix “E”**.
- e. The Bookkeeper advised the Receiver that Ms. Dewji made the cash withdrawals of October 16th and 17, 2014, respectively, and had not provided direction for

journalizing the transactions. The Receiver has yet to determine how the balance of branch transactions were journalized by the Debtor, and will report on same to the Court in due course.

- f. Prior to Ms. Dewji's departure from the Property on the Appointment Date, Ms. Dewji advised the Receiver that she did not have the key to the safe at the Hotel front desk used for deposits on her person. The Receiver was unable to change the lock on the safe and secure it for future cash deposits. Accordingly, the Manager provided the use of his own safe for the Hotel's subsequent cash deposits. Ms. Dewji advised that she would deliver the key to the Hotel safe to the Receiver after she was able to obtain it from her home;
- g. The Receiver was advised that on the weekend immediately following the Appointment Date, Ms. Dewji attended at the Property without permission and removed the cash from the Hotel safe. The Receiver was further advised that the amount of cash in the Hotel safe at the time was approximately \$500;
- h. The Receiver was advised by Hotel Employees that a few suspicious individuals had attended at the Hotel over the weekend immediately following the Appointment Date and requested to inspect the Property. These individuals were asked by Hotel Employees to leave the Property. The identity of these individuals was never verified; and,
- i. On appointment, the Manager and Receiver inspected various rooms and the exterior of the Property to ascertain if there was any safety, health or environmental concerns. The Receiver learned that some of the Hotel guest rooms had been reported to have bed bug infestations. The Receiver and Manager subsequently retained the services of professionals to perform inspections and exterminations in the affected guest rooms, as well as put in to place new cleaning and inspection control procedures for Hotel Employees to follow. The Receiver has not been advised of any complaints with respect to bed bugs at the Hotel subsequent to its appointment.

15. The Receiver outlines the above information in the Second Report for the purpose of reporting on its findings and advising that no further action, or reaction, has been contemplated by the Receiver at this time. The Receiver does, however, present its findings to the Court for its consideration and direction, if any.

6. MARKETING AND SALES PROCESS

16. Following its appointment, the Receiver commissioned an appraisal of the Property to be performed by Cushman & Wakefield Ltd. to assist in establishing a baseline of value for the Property prior to embarking upon any sales process.

17. The Initial Sales Process was described in the Receiver's First Report. However, there were a number of adjournments of the Receivership Application which caused the appointment of the Receiver to be delayed by over three months. This caused the timeline as initially contemplated to fall into the holiday season, which would necessarily cause certain delays, and as a result the timetable initially contemplated was unlikely to be met.

18. The Receiver met with the most significant economic stakeholders, being the first and second mortgagees to discuss the implementation of the Initial Sales Process. At the time of discussion the second mortgagee expressed an interest in acquiring the Property. The Receiver advised the Second Mortgagee that a condition of any sale would be that the Property was exposed to the market in order to fairly ensure that any sale of the Property was at a price fairly reflected of its market value.

19. The Receiver encouraged the parties to contemplate a stalking horse bid process as a means of both preserving the value of the Property and obtaining the best possible price. A stalking horse process has the advantages of:

- a. Showing to employees and customers that there will be a continuing business in order to preserve the continuity of the business enterprise during the sale process; and

- b. Showing to potential buyers that there is an existing purchaser so as to avoid “bottom feeders” and to encourage interested hotel operators to submit their best possible offer.

20. After various discussions and negotiations through the period between the Appointment Date and December 2014, the Receiver was successful in negotiating the Pembroke APS for the sale of the Property. As noted above, the form of agreement is structured as a “stalking horse” asset purchase agreement, which is subject to approval by the Court. The purchaser under the Pembroke APS is KSI, the secondary secured creditor on the Property.

21. It is intended that the Pembroke APS, as further described below, will stand as the opening bid in the Sales Process to be conducted by the Receiver. Both, the Pembroke APS and Sales Process, are more fully described below.

22. By agreement dated December 3, 2014, KSI and the Receiver entered into an agreement whereby the Receiver would sell and KSI would purchase, subject to Court approval and the results of the Sales Process, substantially all of the right, title and interest of Pembroke in the Purchased Assets (defined below), in the form of the Pembroke APS. A copy of the Pembroke APS is attached hereto as **Appendix “F”**.

23. A summary of the transaction contemplated by the Pembroke APS is as follows:
 - a. KSI will acquire, as a going concern on an “as is, where is” basis, the Purchased Assets for \$4.5 million dollars, subject to adjustments set out in section 3.2 of the Pembroke APS, plus applicable taxes (hereinafter, the “**Purchase Price**”);
 - b. KSI has paid a deposit in the amount of ten percent (10%) of the Purchase Price (\$450,000), which the Receiver’s legal counsel is holding in trust pending approval and closing of a successful winning bid;
 - c. KSI will pay the Purchase Price in cash (i.e. this is not a credit bid) should it be the Winning Bidder (as defined below);

- d. Purchased Assets include: All property, assets and undertaking of Pembroke wherever situated, the real property known as 117 Pembroke Street, Toronto, Ontario (the “**Pembroke Real Property**”) and all chattels, personal property, equipment, inventory, contracts, rights, intellectual property and all other assets used in conjunction with, or as part of, the operation of the hotel business located at the Pembroke Real Property;
 - e. The Pembroke APS contemplates a Court Order be obtained by no later than January 15, 2015, authorizing the Receiver to enter into the Pembroke APS and approving the Sales Process;
 - f. A break fee of \$250,000 is contemplated should KSI not be the successful purchaser and another party submit the Winning Bid; and,
 - g. There are no substantive conditions outstanding at this time other than Court approval of the Pembroke APS and a better offer being received through the Sales Process.
24. Should KSI be the successful purchaser, the Pembroke APS provides that an approval and vesting Order be obtained not later than February 28, 2015, or such other date as may be agreed upon by the Receiver and purchaser. The intention is to effect a going concern to ensure, to the extent possible, no interruption to ongoing operations.

Pembroke Stalking Horse Marketing and Sales Process

25. The Pembroke APS will stand, subject to Court approval, as the opening bid in the Sales Process. In order to further expose Pembroke to the marketplace and the possibility of securing alternative superior offers that will maximize realization for all stakeholders, the Receiver proposes to conduct a marketing and sales process, which is set out in detail in the Sales Process detailed in **Appendix “G”** and summarized below:
- a. Should the Court grant the requested Order approving the Sales Process (the “**Sales Process Order**”), the Receiver will canvass the market for any other potential bidders. Any offers to purchase the Purchased Assets must be submitted in writing

to, and received by, the Receiver by 5:00 p.m. (E.D.T.) on the 10th day of February, 2015 (the “**Bid Deadline**”);

- b. Not later than five (5) Business Days after the Sales Process Order is granted, the Receiver shall advertise for sale the Purchased Assets in the “Globe and Mai” (National Edition);
- c. Not later than five (5) Business Days after the Sales Process Order is granted, the Receiver shall make available to prospective purchasers (collectively, the “**Prospective Purchasers**”), upon receipt of a duly executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and to facilitate the conduct of due diligence by the Prospective Purchasers. KSI will also have access to the data room;
- d. The Receiver, in its sole discretion, shall determine whether any offers are “Qualified Bids”. A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Pembroke APS, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. The offer must be submitted in writing and include a blackline of the offer to the Pembroke APS, reflecting the Prospective Purchaser’s proposed changed, and a written commitment to close on the terms and conditions set forth therein;
 - ii. The offer must be accompanied by a deposit in the form of a certified cheque payable to the Receiver which is equal to at least ten percent (10%) of the aggregate purchase price payable under the offer;
 - iii. The offer must be open for acceptance and completion by the Receiver until 3:00 p.m. (E.D.T.) on February 19, 2015 or later;

- iv. The offer must be on terms no less favourable and no more burdensome or conditional than the terms of the Pembroke APS;
 - v. The offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Pembroke APS;
 - vi. The offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and,
 - vii. The offer must be for a price equal or greater to the sum of the Purchase Price, the Break Fee (\$250,000) and an Incremental Amount set at \$50,000 (i.e. the next bid needs to be at least \$4.8 million dollars or greater);
- e. If the Receiver receives one or more Qualified Bids by the Bid Deadline, the Receiver shall extend invitations by telephone, fax and/or email by 10:00 a.m. (E.D.T.) on February 13th, 2015 to all bidders who submitted Qualified Bids and to KSI to attend an auction (the "**Auction**");
 - f. The Auction shall be held at 10:00 a.m. on February 18th, 2015, or such other time as the Receiver may in its sole discretion designate, at the offices of the Receiver;
 - g. The Receiver shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$50,000, or such other amount as the Receiver determines to facilitate the Auction (the "**Incremental Amount**");
 - h. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Receiver shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval; and,

- i. The Receiver shall make a motion to Court for approval of the Winning Bid and an approval and vesting Order as expeditiously as possible after the conclusion of the Auction. If no Qualified Bid is received by the Bid Deadline (other than the Pembroke APS), the Auction will not be held. Accordingly, the Pembroke APS will be the Winning Bid and the Receiver shall seek, as expeditiously as possible, approval of the Court to consummate the transaction contemplated by the Pembroke APS.

Indebtedness and Security

26. In evaluating the reasonableness of the Pembroke APS, the Receiver has considered the total debt of the Debtor and various secured positions of the Mortgagees and other priority creditors in respect of the Property. Though the Receiver has, as of the date of this Second Report, neither confirmed the respective amounts owing, nor had their respective security positions vetted by independent legal counsel, the Receiver shall do so prior to seeking approval of the Court for an Order authorizing the distribution of the proceeds.

27. The above notwithstanding, the Receiver presents the following approximate payout figures as of the date of this Second Report for the Mortgagees and other priority creditors for the Court's consideration:

- a. \$28,069.70 for CRA payroll source deductions deemed trust per statement received November 19, 2014;
- b. \$63,523.01 for unremitted HST (deemed trust portion) per statement received November 19, 2014;
- c. \$4,126,612.82 for payout of the first mortgagee, HOC, per summary statement provided as of November 30, 2014;
- d. Approximately \$600,000.00 for payout of the Second Mortgagee (KSI);
- e. The mortgagee in third position, 128, is owed approximately \$1,500,000.00, however, it is currently executing power of sale proceedings against a separate hotel property in respect of its collateral mortgage. Any shortfall resulting from the

aforementioned power of sale proceeding will form the balance of 128's collateral mortgage against the Property.

28. In negotiation the Pembroke APS, the Receiver also considered the estimated value of the Property as described in an appraisal commissioned by the Receiver and performed by Cushman & Wakefield Ltd. on October 27, 2014 (the "**Appraisal**"). A copy of the Appraisal is attached hereto as **Confidential Appendix "H"**.

29. Although the Purchase Price of \$4.5 million is subject to some adjustment, the proposed break fee of \$250,000 is 5.5% of the Purchase Price. Based on the Receiver's review of customary ranges of break fees, the proposed break fee of 5.5% is reasonable

30. As a result of the above, the Receiver's view is that the Pembroke APS should be approved as a stalking horse agreement of purchase and sale and that the Sales Process should be approved in order to ensure that the market is properly canvassed and that the value of the property be maximized in a reasonable fashion.

7. RECOMMENDATIONS AND REQUESTED RELIEF

31. The Receiver has performed its duties in accordance with the Appointment Order and has worked diligently with the mortgagees, the manager, and advisors to stabilize business operations and to bring the Property to market. The Receiver recommends the Stalking Horse Bid as being reasonable in the circumstances, fairly reflective of the interests of stakeholders and providing a fair process by which the best possible recovery for stakeholders may be achieved.

32. The Receiver respectfully recommends that this Court grant an order for the relief requested in paragraph 9 hereof.

This report is respectfully submitted to the Court this 19th day of December, 2014.

**A. FARBER & PARTNERS INC.
In its capacity as Receiver of
Pembroke Residence Ltd. and not in its personal capacity**

A. Farber & Partners Inc.

20986333.2

Tab A

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Court File No.
CV-14-10614-0001

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

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

NOTICE OF APPLICATION

TO THE RESPONDENT

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The Claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on July 8, 2014 at 10:00 a.m., at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this Application but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

1 3rd MB
Date: July 7, 2014.

Issued by: *N. Brown*
Local Registrar

**Natasha Brown
Registrar**

Address of Court Office:
550 University Avenue
Toronto, Ontario M5G 1R7

TO: SERVICE LIST

APPLICATION

1. The Applicant, Hands-On Capital Investments Inc. ("**H**ands-**O**n") makes an application for an order *inter alia*:

- (a) abridging the time for service and filing of this Notice of Application and the Application Record, and dispensing with service on any person other than those served;
- (b) appointing A. Farber & Partners Inc. ("**F**arber") as receiver (the "**P**roposed **R**eceiver") over the undertakings, properties and assets of Pembroke Residence Ltd (the "**D**ebtor");
- (c) authorizing the Receiver to enter into a Management Services Agreement, substantially in the form attached to the Proposed Receiver's Preliminary Report, to be filed with the Court, with IM Hospitality Inc. for the operation of the Knights Inn located at 117 Pembroke Street in the City of Toronto, Province of Ontario (the "**H**otel") owned and operated by the Debtor;
- (d) approving the sale process set out in the Proposed Receiver's Preliminary Report to be filed with the Court; and
- (e) such further and other relief as this Honourable Court may deem just.

2. The grounds for the application are:

- (a) The Debtor owns and operates the Hotel. Hands-On made certain credit facilities available to the Debtor in the total principal amount of approximately \$3.57 million. As security for the loans, Hands-On obtained (among other things) a general security agreement from the Debtor and a first ranking mortgage in the principal amount of \$3.1 million against the land and building used to operate the hotel. Hands-On also holds a fourth ranking mortgage against the land and building used to operate the hotel in the principal amount of \$170,000.

- (b) The Debtor has been in default of its payment obligations under the credit facilities since May 2013 and has not made any payments towards principal and interest since January 2014. The Debtor is insolvent and is unable to meet its obligations as they become due, including payment of property taxes and utilities for the continued operation of the Hotel.
- (c) On June 4, 2014, Hands-On demanded repayment of all amounts due under the loans and issued to the Debtor a Notice of Intention to enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").
- (d) As at July 2, 2014, the Debtor is indebted to Hands-On in the total amount of \$3,616,191.21, including principal, interest and fees (plus costs). Pursuant to the terms of the loan and security agreements, Hands-On has the right to immediately enforce its security, including the right to apply to the Court for the appointment of a receiver over the Debtor's property. It is just and convenient in the circumstances to appoint a receiver over the undertakings, properties and assets of the Debtor with the power to market and sell same in a manner that is open and transparent for the benefit of Hands-On and the Debtor's other stakeholders.
- (e) Hands-On recently discovered that the Debtor may be providing false reporting to Hands-On which has led Hands-On to suspect that the current owner/manager may be withdrawing funds from the business. In light of this discovery, it is crucial for the current management to be removed from management of the hotel as soon as possible and for a third party manager to be appointed. Hands-On is seeking an order authorizing the Receiver to enter into a management services agreement with IM Hospitality Inc., a company related to Hands-On, substantially in the form appended to the Proposed Receiver's Preliminary Report.
- (f) To avoid the cost of an additional court attendance and avoid any delay in the sale of the Hotel, if this Court grants an order appointing the receiver, Hands-On also seeks an order approving the sale process described in the Proposed Receiver's Preliminary Report.

- (g) Farber has agreed to act as receiver.
 - (h) Sections 47 and 243 of the BIA and section 101 of the *Courts of Justice Act*.
 - (i) Such further and other grounds as counsel may advise and this Honourable Court permits.
3. The following documentary evidence will be used at the hearing of the application:
- (a) The Affidavit of Iqbal Moledina sworn July 3, 2014; and
 - (b) Such further and other evidence as counsel may advise and this Honourable Court

permits.
13rd
Date: July 7, 2014

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

Maya Poliak (LSUC #54100A)
Tel: 416-218-1161
Fax: 416-218-1844

Lawyers for the Applicant

HANDS-ON CAPITAL INVESTMENTS INC.

PEMBROKE RESIDENCE LTD.

Applicant

-and-

Respondent

Court File No.

CV-14-10614-0001

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

Proceedings commenced at TORONTO

NOTICE OF APPLICATION

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
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Fax: 416-218-1844

Lawyers for the Applicant

Tab B

Court File No. CV-14-10614-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondents

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

**FIRST REPORT OF THE PROPOSED RECEIVER
(Application Returnable July 8, 2014)**

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario
M5J 2T9

D. Robb English (LSUC #197862F 1B)
Tel (416) 863-1500
Fax (416) 863-1515

*Lawyers for A. Farber & Partners Inc.,
proposed Receiver*

TO: ATTACHED SERVICE LIST

SERVICE LIST

CHAITONS LLP

5000 Yonge Street, 10th Floor
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Fax: (416) 218-1844

Email: maya@chaitons.com

Lawyers for Hands-On Capital Inc.**PEMBROKE RESIDENCE LTD. o/a KNIGHTS INN**

117 Pembroke Avenue,
Toronto, Ontario
M5A 2N9

Attention Munira Dewji**Alternative Address for Service**

Munira Dewji
117 Strathearn Avenue
Richmond Hill, Ontario
L4B 2L2

A. FARBER & PARTNERS INC.

150 York Street, Suite 1600
Toronto, Ontario, M5H 3S5

Hylton Levy

Tel: (416) 496-3070

Fax: (416) 496.3839

Email: hlevy@farberfinancial.com

Proposed Receiver

AIRD & BERLIS LLP

Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto ON, M5J 2T9

Robb English

Tel: (416) 865-4748
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Email: reenglish@airdberlis.com

Lawyers for A. Farber & Partners Inc., proposed Receiver

1280584 ONTARIO INC.

6-2400 Dundas St. W.
Mississauga, Ontario
L5K 2R8

Email: ray@kingswayinvestments.com

KEVIN SIT INVESTMENTS INC.

5745 Atlantic Avenue
Mississauga, Ontario
L4W 1H3

BODKIN CAPITAL CORP.

Unit 304 – 700 Dorval Drive
Oakville, Ontario
L6K 3V3

L.A.K.E.S. LEASING CORPORATION

2158 Armstrong Street
Sudbury, Ontario
P3E 5G9

INDCOM LEASING INC.

5061 Ure Street
Oldcastle, Ontario
N0R 1L0

CANADA REVENUE AGENCY

1 Front Street West
Toronto, ON M5J 2X6
Tel: (416) 954-4037
Fax: (416) 952-8726

DEPARTMENT OF JUSTICE

The Exchange Tower
130 King Street West, Suite 3400
Toronto, ON M5X 1K6

Attention: Diane Winters

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

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTER OF FINANCE**

(Income Tax, PST)
PO Box 620
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Attention: Kevin J. O'Hara

Email: kevin.ohara@ontario.ca

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS
REPRESENTED BY THE MINISTRY OF REVENUE (OSHAWA)**

Revenue Collections Branch
33 King Street West
PO Box 627
Oshawa, Ontario
L1H 8H5
Tel: 1-866-668-8297
Fax: (905) 433-6277

CITY OF TORONTO

Revenue Services Division
5100 Yonge Street, Lower Level
Toronto, ON M2N 5V7
Tel: (416) 395-1238
Fax: (416) 696-3605

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Index

Court File No. CV-14-10614-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.,

Respondents

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

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Appendices to First Report
- A. Management Agreement

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TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD..

Respondents

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

A. FARBER & PARTNERS INC.

FIRST REPORT OF THE PROPOSED RECEIVER

JULY 4, 2013

1. INTRODUCTION

1. Pembroke Residence Ltd (“**Pembroke**” or the “**Company**”), carries on business as the Hotel Knights Inn Toronto (the “**Hotel**”) pursuant to a franchise agreement between Full House Franchise Systems Limited and Pembroke.
2. The Hotel comprises of 51 rooms and is located at 117 Pembroke Street, in the heart of downtown Toronto. Pembroke is also the registered owner of the land on which the Hotel is situated (the land and Hotel is collectively defined as the “**Property**”).
3. The Hotel is currently being operated by Munira Dewji (“**Munira**”), who is also the sole director and officer of the Company. Pembroke has been operating the Hotel since July 4, 2012. There are approximately 13 full-time and part-time employees currently employed by the Company.
4. The senior secured creditor of the Company is Hands-On Capital Inc. (“**HOC**”). HOC provided a non-revolving term loan to the Company in the amount of \$2,120,000 for the purposes of refinancing the first, second and third mortgages on the Hotel, and a second non-revolving term loan in the amount of \$1,450,000 to fund renovations and construction costs.
5. Pembroke is currently indebted to HOC in the amount of approximately \$3,600,000 (the “**Indebtedness**”).
6. In addition to the above, the Company has guaranteed a private mortgage loan made to the principal of the Company by HOC in the amount of \$225,000. HOC holds a second ranking mortgage against the principals’ primary residence located in Richmond Hill, Ontario.
7. The Company has additional subordinate secured lenders in the approximate amount of \$2,100,000 as well as leased equipment registrations in respect of inventory, equipment and accounts.
8. HOC has made an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for the appointment of a receiver pursuant to Section 243 (1) of the *Bankruptcy*

and Insolvency Act and Section 101 of the Courts of Justice Act (the “**Receivership Proceedings**”). It is proposed that A. Farber & Partners Inc. (“**Farber**” or the “**Proposed Receiver**”) be appointed to act as the receiver (the “**Receiver**”) in the Receivership Proceedings. Farber has consented to act in such capacity.

9. The affidavit of Iqbal Moledina, President of HOC, sworn July 3, 2014 (the “**Moledina Affidavit**”) filed in connection with the Receivership Proceeding, describes, *inter alia*, Pembroke’s background, corporate structure, current operations, stakeholders analysis and the reasons for the requested Receivership Proceeding. According to the Moledina Affidavit, the main objective of the Receivership Proceeding is to continue the operations of the Hotel as a going concern in order to effect a sale of substantially all of the Company’s right, title and interest in its business and assets.

2. PURPOSE OF REPORT

10. The Purpose of this preliminary report to the Court of the Proposed Receiver (“**First Report**”) is to:

- a. seek approval of a proposed marketing and sales process (the “**Sales Process**”) in respect of the Company’s business and assets; and
- b. report on and seek authorization from the Court to enter into a management services contract (the “**Management Agreement**”) with HOC or another entity related thereto, to operate the Hotel substantially in accordance with the terms of the draft Management Agreement appended as Appendix “A”.

3. DISCLAIMER

11. Farber has relied upon the financial records and information provided in the Moledina Affidavit. Farber assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, re-production or use of this First Report or for any use which any party makes of this First Report, or any reliance on, or a decision to be made, based upon it, other than in respect of these proceedings.

4. MARKETING AND SALES PROCESS

12. The Hotel is located in an area of downtown Toronto that is currently experiencing redevelopment and gentrification. Furthermore, the Proposed Receiver understands that hotel properties are seldom offered for sale in downtown Toronto. The Proposed Receiver expects that, if the Property is offered for sale by the Receiver, there will be significant interest in parties wishing to acquire the Property both as a hotel, and/or for re-development. It is expected that likely purchasers will identify themselves fairly quickly in that process. Accordingly, the Proposed Receiver believes that an open market sales process is an appropriate method to market and sell the Property.

13. The Sales Process (described in more detail below) provides for a marketing and sales process which culminates in an offer deadline date of August 28, 2014 (the "**Bid Deadline**").

14. A summary of the Sales Process is as follows:

- a. The Receiver will, subject to its appointment and approval by the Honourable Court, take possession of the Property;
- b. On or before July 18, 2014, the Receiver will distribute an interest solicitation letter to potential interested parties. Attached to the interest solicitation letter will be a form of confidentiality agreement ("**CA**");
- c. The Receiver will advertise the Property for sale in The Globe & Mail newspaper (National Edition) on or before July 24, 2014;
- d. The Receiver will, from and after July 22, 2014, make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed CA, access to an online data room. The Receiver will facilitate due diligence efforts, including but not limited to, arranging site visits, arranging meetings with the Manger (as defined below), and responding to questions from Prospective Purchasers;
- e. Prospective Purchasers will be provided with a hard and soft copy of a template agreement of purchase and sale (the "**APS**"), and will be required to submit offers in the form of the template APS;

f. The Receiver in its sole discretion shall determine whether qualifying bidders will be invited to attend an auction at the Receiver's offices.

15. The Receiver will, subject to approval of the Court, have the right to adopt such other rules for the Sale Process that, in its sole discretion, will better promote the goals of the Sale Process.

16. The Receiver shall determine the highest and/or best bid with respect to the Purchased Assets, subject to Court approval. The Receiver does not necessarily have to accept any offer and may seek further direction from the Court. HOC would be entitled to participate as a potential purchaser in the process.

17. The Receiver shall make a motion to the Court for a hearing to be held on or before September 11, 2014 to seek approval of an offer and an approval and vesting order.

18. The Proposed Receiver has consulted with HOC with respect to a proposed timeline and process for the marketing of Pembroke's business and assets. Subject to the approval of this Honourable Court, the Proposed Receiver recommends proceeding with a sale process in accordance with the steps and timeline outlined below:

8 July-14	<ul style="list-style-type: none"> • Court appointment of Receiver • Approval of Sales Process (as detailed below)
8-18-Jul-14	<ul style="list-style-type: none"> • Receiver to take possession of the financial records and assist the operations manager with any operational issues • Prepare data and financial information in preparation of the data room
18-Jul-14	<ul style="list-style-type: none"> • Teaser to be finalized and sent to interested parties list • Terms and conditions of sale to be finalized • Non-disclosure agreement to be finalized
18-Jul-14	<ul style="list-style-type: none"> • Newspaper ads to be drafted and sent for publishing
22-Jul-14	<ul style="list-style-type: none"> • Information pertaining to this opportunity will be posted on Receiver's website, www.farberfinancial.com, which will include: <ul style="list-style-type: none"> ○ Invitation for offers to purchase the assets/shares on a going concern basis. ○ Terms and conditions of sale ○ Non-disclosure agreement

22-24-Jul-14	<ul style="list-style-type: none"> • Advertisement (in Globe and Mail) – will be on either the 22nd, 23rd or 24th
22-July-14 to 28-Aug-14	<ul style="list-style-type: none"> • Parties given access to data room and an opportunity to conduct site visits <ul style="list-style-type: none"> ○ Financial Statements ○ Property information ○ Other pertinent information to conduct due diligence
28-Aug-14	<ul style="list-style-type: none"> • 4:00 p.m. (E.S.T.) deadline for submissions of offers
28-Aug-14 – 29-Aug-14	<ul style="list-style-type: none"> • Farber evaluates offer received • Possible invitation to qualifying bidders to attend auction at Farber offices, if necessary or desired
1-Sep-14	<ul style="list-style-type: none"> • Possible Auction Day, if deemed appropriate or necessary
1-Sep-14	<ul style="list-style-type: none"> • Offer Selected
2-Sep-14	<ul style="list-style-type: none"> • Farber to notify rejected Offeror's of unaccepted bids and return deposits
11-Sep-14	<ul style="list-style-type: none"> • Motion to be heard by the Court to obtain approval and vesting order re: Court approval of Successful Offer • Approval and Vesting Order to be granted
TBD	<ul style="list-style-type: none"> • Farber to close the Successful Offer at the offices of its legal counsel (the "Closing") • The Closing timeline will be determined based on the accepted Offer – ie. land development deal or sale of business as going concern

5. MANAGEMENT SERVICES AGREEMENT

19. There exists presently an active hotel of operation on the Property. In order to maximize revenue from the Property during the sales period and to preserve the value of the Property to those Prospective Purchasers who may wish to retain the Property as a hotel operation, it is prudent to continue the hotel operations during the Sales Process.

20. The hotel operations on the Property require active management, and the existing management would not be permitted to continue given the issues which have been outlined in the application materials. It is not cost effective for the Receiver to operate the hotel by use of its own personnel at the Receiver's hourly rates, and therefore the Receiver would propose to engage outside management of the daily hotel operations, with the cash receipts and

disbursements to be controlled by the Receiver. This is both less expensive from a cost point of view and places the day to day hotel operations into the hands of persons having more direct experience in that area.

21. Iqbal Moledina, HOC's principal, on his own and/or through various management companies has extensive experience in hotel operations as outlined in the application materials. Mr. Moledina directly and/or in partnership through management companies, including, IM Hospitality Inc. ("IM Hospitality") currently owns and operates five other hotels and resort properties of a similar nature to the hotel operation on this Property. Mr. Moledina is familiar with this specific property, and given his operations experience, as well as HOC's stake in the financial success of the Property would, in the proposed Receiver's opinion, be the preferred operator during the Sales Process.

22. The Sales Process is expected to be quite short, and it would appear to be impractical to interview other hotel operators, obtain competitive bids and seek Court approval of the successful bidder. By the time that such process has run it would be hoped that a prospective buyer had been found.

23. In contemplation of its appointment, the proposed Receiver has negotiated the terms of a Management Agreement with IM Hospitality, a company owned and managed by Mr. Moledina, a draft of which is appended as Appendix "A" to this report. Subject to its appointment, and to the Court approval of this proposal, the proposed Receiver would propose to engage IM Hospitality as the operating management of the hotel following the receivership until the completion of the Sales Process, substantially in accordance with the terms of the management contract appended as Appendix "A". As described above, the proposed Receiver believes that the management fee proposed to be paid to IM Hospitality under the terms of the Management Agreement is reasonable in accordance with industry standards for a hotel operation of this nature along with the short duration of the operating management contract.

7. RECOMMENDATIONS

24. The Receiver respectfully recommends that this Court grant an order for the relief requested in Section 2 hereof.

A. FARBER & PARTNERS INC.
In its capacity as Proposed Receiver of
Pembroke Residence Ltd.,
and not in its personal capacity

A. Farber & Partners Inc.

18652545.5

Tab A



APPENDIX "A"
MANAGEMENT AGREEMENT

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of July ~~2014~~, 2014.

BETWEEN:

A. **FARBER & PARTNERS INC.**, solely in its capacity as Receiver and Manager of Pembroke Residence Ltd. and not in its personal capacity (the "**Receiver**")

-and-

IM HOSPITALITY INC., a corporation incorporated pursuant to the laws of the Province of Ontario (the "**Manager**") [NTD: to be confirmed]

RECITALS:

- A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 8, 2014 (the "**Receivership Order**"), the Receiver was appointed as receiver, without security, of all of the assets, properties and undertakings (collectively, the "**Property**") of Pembroke Residence Ltd. (the "**Debtor**");
- B. Pursuant to the Receivership Order, the Receiver was empowered and authorized to, *inter alia*, manage, operate and carry on the business of the Debtor, and enter into an agreement for the management and operation of the business of the Debtor;
- C. The Debtor carries on business as a hotel operating as Knights Inn Toronto, which is located at the address municipally known as 117 Pembroke Street, Toronto, Ontario (the "**Lands**");
- D. The Receiver wishes to engage the Manager, in accordance with the appointment order, to assist the Receiver in the management and operation of the business of the Debtor, subject to the terms and conditions contained herein; and
- E. The Manager and the Receiver have agreed to enter into this Agreement respecting the management and operation of the business of the Debtor by the Manager upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed to by the parties), the parties agree as follows:

ARTICLE I- INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this management services agreement, as same may be amended, restated, supplemented and replaced from time to time;

“**Arm’s Length**” has the meaning implied by section 251 of the *Income Tax Act* (Canada) as at the date of this Agreement;

“**Authorities**” means all federal, provincial, municipal and other governmental authorities, departments, boards and agencies having or claiming jurisdiction;

“**Bank Account**” has the meaning set out in section 6.01;

“**Business**” means the operation of the Hotel;

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario;

“**Claims**” means claims, losses, damages (direct, indirect, consequential or otherwise), suits, judgments, causes of action, legal proceedings, executions, demands, penalties or other sanctions of every nature and kind whatsoever whether accrued, actual, contingent or otherwise and any and all costs arising in connection therewith, including all legal fees and disbursements (including all such legal fees and disbursements in connection with any and all appeals);

“**Consumables**” means all consumables generally associated with the Business pursuant to this Agreement;

“**Consumer Price Index**” means (all items) prepared by Statistics Canada, or its successor or successors, for the City of Toronto, adjusted for any change in the base year, or any successor or similar index or compilation prepared by Statistics Canada, its successor or successors. If there ceases to be such an index or compilation, then “**CPI**” shall mean a similar measure as designated by the Receiver, acting reasonably;

“**Effective Date**” means the date of the Receivership Order;

“**Environmental Laws**” means all laws from time to time relating to protection of the environment and health and safety of the workplace, including all common law and the *Canadian Environmental Protection Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Fisheries Act* (Canada), the *Workplace, Health, Safety and Compensation Commission Act*, the *Waste Management Act* and all rules, regulations, policies and criteria promulgated thereunder from time to time;

“Environmental Notice” means any citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication from any person which is related to Environmental Laws;

“Equipment” means equipment, personal property and other assets located at the Hotel and used in the Business, including:

- (a) fitness and athletic equipment;
- (b) point-of-sale terminals;
- (c) signage, furnishings and any other equipment used in the Business;
- (d) rolling stock; and
- (e) office equipment including photocopiers, telephones, personal computers, printers and computer software.

“Franchise” means Knights Inn brand hotels in Canada;

“Franchise Agreement” means the franchise agreement between Knights Inn and the Franchisor;

“Franchisor” means Full House Franchise Systems Limited which holds the Canadian Master License for the Knights Inn brand hotels in Canada;

“GAAP”, when used in respect of accounting terms or accounting determinations relating to a Person, means generally accepted accounting principles in effect from time to time in Canada, being those accounting principles set forth in the Handbook or other official record of accounting principles in Canada from time to time published by the Canadian Institute of Chartered Accountants, as such principles may be amended, varied or replaced by International Financial Reporting Standards (IFRS) then in effect and generally accepted in Canada and adopted or required to have been adopted by the Person;

“Gross Revenue” means all revenue of any kind derived directly or indirectly from operations at the Hotel (including rentals or other payments from lessees or concessionaires, any health facilities, any parking revenues and any fees from any licensee for the use of any space forming part of the Hotel but not including the gross revenues of licensees, lessees or concessionaires and any other charges to such licensees, lessees or concessionaires such as taxes, common area costs or premiums for insurance), determined in accordance with GAAP consistently applied, excluding, however, the following:

- (a) applicable excise, sales, gross income, room, entertainment and use taxes or similar government charges collected directly from patrons or guests, or as a part of the sales price of any goods, services or displays, such as gross receipts, admission or similar or equivalent taxes;

- (b) gains arising from the sale or other disposition of capital assets or unwanted inventory;
- (c) proceeds of any insurance;
- (d) rebates, discounts or credits of a similar nature (not including credit card discounts which shall be included as an item of revenue and shall be considered an operating expense);
- (e) gratuities paid to staff; and
- (f) payments received at the Hotel for accommodations, goods or services to be provided at other hotels.

“Hazardous Substance” means any substance which is regulated under Environmental Laws, including any hazardous product, contaminant, toxic substance, deleterious substance, waste, special waste, dangerous good or reportable substance;

“Hotel” means the building and other improvements located at the Lands consisting of approximately 51 guest rooms, conference and meeting rooms, breakfast rooms, fitness and other facilities, and all chattels, furniture, fixtures, and equipment and inventory located therein and used in the operation and management of the Hotel business operated therefrom, including without limitation, heating, lighting, sanitary equipment, air conditioning, laundry, refrigerating, built-in kitchen equipment and elevators and the Lands upon which the Hotel are situate;

“Hotel Staff” means employees hired by the Manager, Debtor or the Receiver and contractors which may be retained by the Manager, Debtor or the Receiver to provide services or work for the operations of the Hotel. For greater certainty, Hotel Staff excludes any person hired to provide services or work to the Manager;

“Lands” is as defined in Recital “C”;

“Laws” means all laws, statutes, ordinances, regulations, by-laws, directions, orders, orders-in-council, rules, requirements and guidelines of all Authorities, and for greater certainty includes Environmental Laws;

“Major Maintenance Costs” means maintenance costs which exceed the amount of \$5,000.00

“Management Fees” has the meaning set out in section 4.01;

“Person” means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, an Authority and any other legal or business entity;

“Receivership Order” has the meaning prescribed in the recitals above;

“**Schedules**” means the schedules attached to this Agreement and which are more particularly described in section 1.06;

“**Services**” means the services to be performed by the Manager hereunder including those described on Schedule “A”; and

“**Term**” has the meaning set out in section 10.01.

Certain terms which have been defined within specific sections or Articles of this Agreement for use solely within those sections or Articles are not referred to above.

1.02 Interpretation

In this Agreement:

- (a) words importing the singular include the plural and vice-versa, words importing gender include both genders and words importing persons include corporations and vice-versa;
- (b) any reference to a section or Schedule in this Agreement is deemed to be a reference to the applicable section or Schedule contained in or attached to this Agreement and to no other agreement or document unless specific reference is made to such other agreement or document;
- (c) any reference to a statute includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations;
- (d) unless otherwise indicated, all references to dollar amounts are references to Canadian dollars; and
- (e) all amounts to be paid pursuant to this Agreement are to be paid in Canadian dollars.

1.03 Construction

As used in this Agreement, the word “including” means “including but not limited to”. This Agreement has been negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement. For purposes of this Agreement, the word “will” shall be equivalent in meaning to the word “shall,” both of which describe an act or forbearance which is mandatory under this Agreement. The word “may” describes an act or forbearance which is optional under this Agreement.

1.04 Headings

The division of this Agreement into Articles and sections and the insertion of headings is for convenience of reference only and does not affect the construction or interpretation of this Agreement or any part of it.

1.05 Recitals

The recitals are incorporated as an integral part of this Agreement.

1.06 Schedules

The Schedules are as follows:

Schedule "A" - Services to be Performed by Manager

The Schedules are incorporated into and form an integral part of this Agreement.

ARTICLE II - APPOINTMENT

2.01 Appointment

- (a) Subject to the exclusive authority of the Receiver over management of the Hotel, effective upon the Effective Date, the Receiver hereby appoints the Manager, to manage the Hotel and otherwise provide the Services during the Term in accordance with this Agreement.
- (b) The Manager hereby accepts the appointment set out in Section 2.01(a) and agrees to provide the Services and comply with the provisions of this Agreement.

2.02 Receivership Order

- (a) This Agreement (including, in particular, the appointment provided for in section 2.01(a)) shall not become effective unless and until the Court has (i) issued the Receivership Order, and (ii) approved this Agreement.
- (b) Subject to Article X hereof, this Agreement shall remain in full force and effect only so long as the Receivership Order remains in full force and effect and its enforcement is not subject to any stay of proceedings or prohibitive injunction.

2.03 Independent Contractor

The Manager will provide the Services to the Receiver as an independent contractor and the relationship between the Receiver and the Manager created by this Agreement will not be considered in any way an employment relationship, a landlord and tenant relationship, partnership, agency, or joint venture. The Manager will have no power or authority to bind the Receiver or to assume or create any obligations or responsibility, express or implied, on the Receiver's behalf or in its name except as expressly provided in this Agreement or as may be

expressly agreed to in writing by the Receiver, nor will the Manager represent to anyone that it has such power or authority.

2.04 No Borrowing by Manager

The Manager shall not be entitled to borrow money for any purpose whatsoever without the express written consent of the Receiver and the Receiver shall not have any responsibility or liability for any money borrowed without such consent.

2.05 Ownership and Hotel Use

The Hotel is and will at all times remain the sole property of the Debtor and cannot be used for any purpose other than those set out herein or otherwise for purposes expressly approved and authorized by the Receiver from time to time in writing. The Manager acknowledges and agrees that it has no interest in the Lands or Hotel and that nothing in this Agreement does or is intended to create any such interest.

2.06 Working Relationship Guidelines

The Receiver and the Manager agree to work collaboratively together. Each party will appoint an individual as its primary representative and contact person for the purposes of this Agreement. Each party will advise the other party in writing of the name, telephone number, email address and fax number of its representative and each party may change its representative from time to time by notice in writing to the other.

2.07 Access to Records

The Manager hereby grants to the Receiver access to all books, receipts, records, written instructions, and correspondence related to the provision of the Services authorized under this Agreement, which will be made available on reasonable notice during regular business hours at the Hotel or at the office of the Manager as the case may be.

2.08 Participation in Sale Process

Nothing contained herein shall prevent the Manager or its affiliates from submitting a bid or otherwise participating in any sale process in respect of the Property (including the Hotel).

ARTICLE III – THE SERVICES

3.01 Provision of Services

- (a) Subject to the direction of the Receiver and the provisions of this Agreement, the Manager shall diligently manage, operate and maintain the Hotel and otherwise provide the Services in an economic and efficient manner as would a prudent and reasonable owner of similar properties so as to preserve and protect the Hotel and maximize earnings therefrom.
- (b) In performing its duties and obligations hereunder, the Manager shall act honestly and in good faith.

3.02 Hotel Staff

- (a) The Manager will be responsible for day to day management and oversight of the Hotel Staff.
- (b) The Manager will be responsible for hiring or engaging as an independent contractor any Hotel Staff subsequent to the Effective Date, which responsibilities will include their hiring, reference and security checks (if found to be necessary or desirable by the Receiver prior to hiring or engagement), establishing compensation, training, evaluation and discipline at the Manager's sole discretion and based on the Manager's human resources policies and procedures.
- (c) The Manager will provide adequate coverage for any vacation, sick, training, personal or other leaves of absence for Hotel Staff. For clarity, the Manager shall at all times ensure that sufficient staff is on hand or available at all relevant times to adequately and lawfully operate the Hotel and provide sufficient supervision and management in connection therewith.
- (d) The Manager will be responsible for training Hotel Staff, as necessary, to ensure their adequate and lawful performance hereunder and will conduct such reference and security checks as the Receiver may request.
- (e) The Manager will comply with all present and future Laws relating to employment, wages, benefits, source deductions, withholdings, hours of labour and working conditions in connection with the Hotel Staff. The Manager will prepare any documents required under the Law relating to employment, wages, benefits, source deductions, withholdings and hours of labour in connection with the Hotel Staff and deliver such documents to the Receiver on a minimum notice of two (2) business days prior to the date on which documents are required for filing.
- (f) The Manager represents, warrants and covenants that Hotel Staff will, at all times while at the Hotel or on any other part of the property of the Debtor, abide by any order of the Court as well as the Receiver's policies, procedures and directives, as amended from time to time, concerning privacy, health and safety or any other Laws determined applicable by the Receiver.

ARTICLE IV - COMPENSATION

4.01 Management Fees

- (a) In consideration of the Manager performing the Services during the Term, the Receiver will pay monthly management fees to the Manager (the "**Management Fees**") in accordance with this Agreement in an amount equal to the greater of: (i) \$5,000; or (ii) seven and one-half per cent (7.5%) of Gross Revenue for each month, which Management Fee shall be payable on the fifteenth (15th) day of the following month.

- (b) In the event that the Term is extended past the date that is one (1) year after the Effective Date, the amount of the Management Fees payable after that date for the next ensuing year shall be adjusted in accordance with the Consumer Price Index percentage change for the 2014 calendar year.

ARTICLE V – COSTS & BUDGETING

5.01 Costs

Except as otherwise expressly provided herein, the Receiver shall pay all costs and expenses incurred in connection with operation of the Hotel, provide that such expenses are incurred in the ordinary course of business.

5.02 Reimbursement of Expenses

The Receiver shall reimburse the Manager for all reasonable out-of-pocket expenses incurred by the Manager and approved in advance by the Receiver provided that reimbursement requests are accompanied by appropriate receipts or other documentation satisfactory to the Receiver.

5.03 Operating Reports

The Manager will provide monthly operating reports regarding the financial and operating status of the Hotel, including programs and usage statistics and the Manager shall provide such other information as may be reasonably requested by the Receiver.

ARTICLE VI - BANKING

6.01 Bank Account

The Receiver has the right to designate the banks with which the Hotel shall conduct its various banking affairs, and all funds received in the operation of the Hotel shall be deposited into one or more special accounts bearing the name of the Hotel in a bank selected by the Receiver, having a branch reasonably convenient to the Hotel (the "**Bank Account**"). The Bank Account shall be under the control of the Receiver. Cheques and other documents of withdrawal shall be signed only by the Receiver. Out of such accounts, all operating expenses, as well as the Management Fee, payroll expenses and other expenses to be paid to or reimbursed to the Manager in accordance with the terms and provisions of this Agreement shall be paid by deduction therefrom.

6.02 Ownership of Account

The Bank Account is for the benefit of the Hotel and all funds deposited therein are the property of the Receiver.

6.03 Banking Duties

The Manager will perform all banking duties necessary for the due performance of the accounting and administrative functions under the provisions of this Agreement and for the

receipt and disbursement of all funds arising from the operation and the management of the Hotel in accordance with sound management practices.

6.04 Banking Records

In addition to any other obligation prescribed herein, the Manager shall maintain detailed accounting records (in accordance with GAAP) in respect of its management of the Hotel and the operation of the Hotel including copies of all Bank Account statements, cancelled cheques, deposit slips, electronic transfer records, work orders, purchasing orders, receipts, invoices, time sheets and other supporting documentation, and shall provide copies of such records to the Receiver upon request.

6.05 Payments

All payments to third parties (including to Hotel Staff on account of salary, wages or commission) shall be made by the Receiver by cheque or electronic funds transfer, provided that petty cash disbursements may be made in cash. Manager shall provide to the Receiver any statutory forms and supporting documents required to be filed in support of all payments on a minimum notice of two (2) business days prior to the date on which the amounts due shall be paid.

6.06 Accounting Services

The Manager will be responsible for all revenue reconciliations, recording and payment of accounts payable, bank deposits, and securing payment system licenses (such as credit card, debit card and other payment systems), together with training and ongoing support services for same, for use by the Manager hereunder.

ARTICLE VII – OTHER MANAGER OBLIGATIONS

7.01 Compliance

In the provision of the Services, the Manager will, and will cause its subcontractors and their respective employees, agents and representatives to, comply with and observe all applicable Laws, regulations and orders of all lawful Authorities having jurisdiction over the Services.

7.02 Other Covenants

In addition to the other covenants and obligations to be performed by the Manager hereunder including the provision of all services as set out in Schedule A attached hereto, the Manager covenants and agrees that it will, at all times during the Term:

- (a) maintain its corporate existence under the laws of the Province of Ontario and remain duly qualified to do business in Canada and in the City of Toronto, in the Province of Ontario;
- (b) make full, frank and immediate disclosure to the Receiver (or its representatives or advisors) of all matters coming to the attention of the Manager or any of its officers, directors, employees, agents, servants, consultants or independent

contractors in relation to the Hotel and this Agreement which are material and/or adverse to the interests of the Receiver;

- (c) require, as a condition of use, that any group or league wishing to use the Hotel provide proof of liability insurance in an amount satisfactory to the Receiver and the Manager. For greater certainty, no group or league may use the Hotel without providing proof of liability insurance;
- (d) require, as a condition of use, that any individual wishing to use the Hotel provide a waiver of liability consistent with industry standards and in form and substance satisfactory to the Receiver;
- (e) collect and remit to the Receiver, to be held by the Receiver in trust, HST and payroll returns. The Manager shall prepare all HST and payroll returns in the name of the Debtor(s), using a divisional account of the Debtor(s) to be assigned by the Canada Revenue Agency and remit to the Receiver on a minimum notice of two (2) business days prior to the date on which documents are required for filing. The Receiver shall be responsible for remitting HST and payroll deduction as calculated and collected by the Manager;
- (f) the Manager shall arrange for preparation of records of employment and any other return or filing related to employment and tax matters;
- (g) make any remittances to any Authorities as required by Law including, without limitation, employee withholdings, source deductions, WSIB premiums and HST;
- (h) make recommendations to the Receiver to enter into contracts, agreements, sub-leases, rentals, licenses or concessions ("concession agreements") for the naming rights of the Hotel for space rentals and for the sale of advertising, space rentals, vending and other confectionary or consumables upon such terms and conditions that the Manager may deem proper, in the exercise of its professional judgment in the best interests of the Receiver and subject to the terms of this agreement. The foregoing obligations of the Manager shall also include the preparation, if necessary, or the revision for the Receiver's review and approval of concession agreements, negotiations with persons regarding any modifications to the terms of such concession agreements and the arranging for their execution, to receive and approve plans and specifications, pursuant to concession agreements, or leasehold improvements and to secure approvals required by Law for such matters; and
- (i) make recommendations to the Receiver to enter into contracts or agreements for standard equipment and software that is employed in its existing facilities to facilitate training and ongoing support of such equipment and software.

7.03 Compliance with Franchise

- (a) The Manager, in the observance and performance of its duties and obligations set forth in this Agreement, in respect of the Hotel, shall accept, abide by and be subject to, all rules, regulations, inspections and requirements of the Franchisor;

- (b) If there is any conflict between the terms and conditions set forth in this Agreement and the terms and conditions set forth in the Franchise Agreement, the terms and conditions set forth in the Franchise Agreement shall prevail to the extent of such conflict;

7.04 Reporting

- (a) The Manager shall at all times during the Term, provide the Receiver:
 - (i) within twenty (20) days of the following month, a statement of receipts and disbursements;
 - (ii) within twenty (20) days of the following month, an aged accounts receivable report including arrears from members, tenants and doubtful accounts, and recommended actions to be taken;
 - (iii) within twenty (20) days of the following month, an accounts payable listing;
 - (iv) within twenty (20) days of the following month, future bookings of the other events at the Hotel;
 - (v) within twenty (20) days of the following month, bank account reconciliations; and
 - (vi) copies of invoices as may be requested by the Receiver.
- (b) The Manager shall provide the Receiver with the information the Receiver reasonably requires to prepare and issue the necessary notices and reports by a "Receiver" pursuant to Sections 245 and 246 of the *Bankruptcy and Insolvency Act*.
- (c) The Manager shall provide the Receiver with such other information and reports as the Receiver shall reasonably request from time to time.
- (d) This obligation in section 7.04(c) will survive any expiration or termination of this Agreement in respect of information that was obtained through, and in connection with, the Term.

7.05 No Claims by Manager

The Manager covenants and agrees that, upon termination or expiration of this Agreement, except in respect of damages sustained as a result of a breach by the Receiver of any term or provision of this Agreement to be expressly observed or performed by the Receiver, the Manager will not have nor commence any right of action whatsoever, including any direct or indirect right or action at law or in equity, for:

- (a) any losses sustained by the Manager including capital and operating costs incurred by the Manager in respect of the Hotel;
- (b) any indirect, special, punitive, exemplary, or consequential damages sustained by the Manager; and the Receiver will not be obligated to compensate the Manager in any manner whatsoever; and
- (c) in no event will the Manager be entitled to make any claim of any kind after one year from the expiry or termination of the within Agreement.

ARTICLE VIII - ENVIRONMENTAL MATTERS

8.01 Obligations Regarding Environmental Matters

In addition to the other covenants and obligations to be performed by the Manager hereunder, the Manager covenants and agrees that it will, at all times during the Term:

- (a) manage the Hotel in compliance with all Laws;
- (b) not use or permit any person for whom it is in law responsible to use the Hotel or the Lands for the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in, on or under the Lands and the Hotel, except in compliance with applicable Laws;
- (c) without deviating from the Manager's obligations under Section 8.01(b), forthwith notify the Receiver of the occurrence of any of the following and provide the Receiver with copies of all relevant documentation in connection therewith:
 - (i) a release of a Hazardous Substance in or about the Hotel, except in strict compliance with Laws and any applicable permits;
 - (ii) the receipt by the Manager of an Environmental Notice; or
 - (iii) the receipt by the Manager of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environment by anyone in or on the Lands and the Hotel in a manner other than that authorized under Environmental Laws;
- (d) if the Receiver or the Manager receives information that Hazardous Substances, which have been brought onto or released at or from the Lands by the Manager or those for whom it is in law responsible, are being dissipated, used, stored, disposed of or introduced into the environment in or on the Lands and the Hotel in a manner other than that authorized under Laws, conduct such investigations, searches, testing, drilling and sampling as are requested from time to time by the Receiver acting reasonably or any Authorities to determine the existence of such Hazardous Substances in or about the Hotel;

- (e) upon the request of the Receiver from time to time, provide to the Receiver satisfactory documentary evidence that all permits are valid and in good standing

8.02 No Liability for Pre-Existing Condition

Notwithstanding anything contained in section 8.01, the Manager will not be responsible for the remediation of hazardous substances that were present prior to the Effective Date or hazardous substances migrating into, onto or under the Lands and Hotel from adjacent lands.

ARTICLE IX – OTHER RECEIVER OBLIGATIONS

9.01 Provision of the Hotel

The Receiver agrees to provide the Manager with access to the Hotel as contemplated by this Agreement and the delivery of the Services hereunder.

9.02 Provision of Equipment and Consumables

The Receiver will provide funding which is sufficient to permit the Manager to contract to obtain necessary Equipment and Consumables.

ARTICLE X- TERM AND TERMINATION

10.01 Term

- (a) The appointment of the Manager under this Agreement commences on the Effective Date and continues in full force and effect until the earliest date (the "**Termination Date**") upon which any of the following occurs:
 - (i) the completion of the sale of the Hotel;
 - (ii) the date that is twelve (12) months from the Effective Date unless renewed prior to such date by written agreement between the parties hereto;
 - (iii) the Manager commits an act of bankruptcy, becomes insolvent, makes an assignment or proposal under the *Bankruptcy and Insolvency Act* (Canada), or makes a bulk sale of its assets;
 - (iv) a proceeding is commenced with respect to the Manager under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation, or to have a receiver appointed in respect of the Manager;
 - (v) the thirtieth (30th) day after delivery of written notice of termination by the Manager to the Receiver or by the Receiver to the Manager, as the case may be;

- (vi) the tenth (10th) day after delivery of written notice of termination of this Agreement by the Receiver, in its sole discretion, to the Manager;
 - (vii) the Receivership Order is subject to a stay of proceedings or prohibitive injunction or is otherwise of no force and effect;
 - (viii) destruction of the Hotel or similar event requiring evacuation of all occupants of the Hotel;
 - (ix) a breach of trust as described in section 6.02; and
 - (x) fraud, wilful misconduct or gross negligence on the part of the Manager.
- (b) The period between the Effective Date and the Termination Date shall collectively be called the "**Term**".

10.02 Events Following Termination

- (a) Upon the termination of this Agreement for any reason (a "**Termination**"), the Manager will:
- (i) within twenty (20) days after the Termination Date, complete and deliver to the Receiver final financial statements and accounts to the Termination Date consistent in form and content with those provided prior to Termination;
 - (ii) cease to represent itself as providing the Services to the Receiver;
 - (iii) within five (5) days after the Termination Date, deliver to the Receiver, or as the Receiver may direct, all confidential information and materials relating to the Hotel or the Services including books and records, Leases, offers to lease and agreements to lease, contracts, accounts and any and all other documents and materials in the possession or control of the Manager relating to the Hotel obtained during the Term;
 - (iv) disclose to the Receiver the current state of the Services;
 - (v) as of the Termination Date, turn over management of the Hotel to the Receiver or as the Receiver may direct; and
 - (vi) fully and without reservation cooperate with the Receiver in transitioning the Services and management obligations of the Hotel to whomever the Receiver identifies as the Manager's successor.
- (b) Upon Termination, each of the Receiver and the Manager shall satisfy any outstanding obligations to the other which accrued to the Termination Date including payment of accrued Management Fees save and except that:

- (i) if Termination occurs due to completion of a sale of the Hotel, the Manager shall receive Management Fees as if Termination had occurred on the thirtieth (30th) day after completion of the sale; and
- (ii) notwithstanding anything else herein contained, in the event of the Manager's fraud or wilful misconduct, the Manager shall not be entitled to any accrued compensation or fees hereunder, all of which shall be forfeited to the Receiver.

10.03 Force Majeure

Delays in or the failure of either party to perform its obligations under this Agreement will not constitute a default hereunder or give rise to any claim for damages if and to the extent caused by occurrences beyond the control of the party so affected, including, but not limited to, decrees of government (whether federal, provincial or municipal), acts of God, strikes or other concerted acts of workers, inability to procure materials or labour, fires, floods, explosions, riots, war, rebellion, sabotage and atomic or nuclear incidents, but lack of finances will in no event be deemed to be a cause beyond a party's control.

10.04 Assistance

The Manager and the Receiver will co-operate with each other in a commercially reasonable manner in the event of any labour disruption or *force majeure* that interferes with the management or operation of the Hotel or the ability of the Manager to perform its obligations hereunder with a view to alleviating such interference.

ARTICLE XI- INDEMNIFICATION

11.01 Manager's Indemnity in Favour of the Receiver

The Manager hereby covenants and agrees to and hereby does indemnify and save the Receiver harmless of and from any and all Claims, including those arising from damage to property and injuries or death to persons arising from or in connection with:

- (a) any negligent act, misconduct, mismanagement or omission of the Manager or any of the Manager's directors, officers, employees, servants, agents, representatives, contractors or any person for whom the Manager is legally responsible; and
- (b) any breach of the terms and conditions contained in the Agreement on the part of the Manager to be observed or performed by the Manager, or any of the Manager's directors, officers, employees, servants, agents, representatives, contractors or any person for whom the Manager is legally responsible.

11.02 Exercise of Indemnity in Favour of the Receiver

The Receiver may rely on the indemnification in section 11.01 provided that the Receiver promptly notifies the Manager in writing of any such Claims against the Receiver.

11.03 Receiver's Indemnity in Favour of the Manager

Subject to the provisions of Section 11.01, the Receiver hereby covenants and agrees to and hereby does indemnify and save the Manager harmless of and from any and all Claims, including those arising from damage to property and injuries or death to persons arising from or in connection with:

- (a) any negligent act or omission of the Receiver or any of the Receiver's directors, officers, employees (other than Hotel Staff), servants, agents (other than the Manager), representatives, contractors (other than Hotel Staff) or any person for whom the Receiver is legally responsible; and
- (b) any breach of the terms and conditions contained in the Agreement on the part of the Receiver to be observed or performed by the Receiver, or any of the Receiver's directors, officers, employees, servants, agents (other than the Manager), representatives, contractors or any person for whom the Receiver is legally responsible.

Subject to the provisions of Section 11.01, the Receiver shall, during and after the termination of the Term, protect, indemnify and save the Manager and its officers and directors, completely free and harmless from and against any and all Claims for or in respect of any and all injuries to persons or property, obligations, liabilities, debts, costs, expenses, losses, demands and fees whatsoever, arising from any cause whatsoever in connection with the performance or exercise by the Manager of any or all of its duties, obligations or powers under this Agreement.

11.04 Exercise of Indemnity in Favour of the Manager

The Manager may rely on the indemnification in section 11.03 provided that the Manager promptly notifies the Receiver in writing of any such Claims against the Receiver.

11.05 Survival of Indemnities

The Manager's and Receiver's respective obligations under sections 11.01 and 11.03 will survive any expiration or termination of this Agreement provided, however, this obligation will end no later than the date the Receiver is discharged as receiver and manager of the Debtor.

ARTICLE XII - INSURANCE

12.01 Insurance

- (a) Prior to commencement of the provision of the Services contemplated hereunder, and throughout the Term, the Manager shall, at the expense of the Receiver, obtain and maintain the following insurance policies:
 - (i) keep all the insurable properties included in the Hotel insured against loss or damage by fire and all other insurable perils included in the broad form extended coverage endorsement available under fire policies in an amount not less than the then-full insurable value. The term "**full insurable**

value” when applied to the Hotel, means the actual replacement cost (including foundation, footing, and excavation costs);

- (ii) maintain comprehensive public, products and innkeepers liability and property damage insurance against claims for personal and bodily injury or death and property damage occurring, in or about the Hotel, or the adjoining streets thereof;

The limits of the policy or policies of such insurance shall be deemed satisfied if the Receiver maintains such policy or policies with a single limit of not less than \$<*>, with excess liability coverage of not less than \$<*>, wherever practicable, or such higher amount as the Receiver and the Manager may agree acting prudently.

- (iii) maintain insurance (including, without limitation, boiler and pressure vessel insurance and automobile liability insurance), against other insurable risks, and in such amounts which at the time are commonly insured against by owners of hotel premises in similar locations having regard to the then existing circumstances and to the type, construction, design, use and occupancy of the Hotel,

which insurance policies shall name the Receiver as an additional named insured and shall otherwise be in form and substance satisfactory to the Receiver, acting reasonably.

- (b) Upon request by the Receiver, the Manager will provide the Receiver with proof of insurance as described above including any renewal or replacement thereof or endorsement thereto, provided that the Manager will deliver to the Receiver notice of the continuation of any such policy not less than ten (10) days prior to its expiry date.
- (c) The Manager shall not do, or suffer or permit to be done, any act, activity or thing which may render void or voidable, or which may conflict with the requirements of any policy or policies of insurance in respect of the Hotel.

ARTICLE XIII - CONFIDENTIALITY

13.01 Receiver's Name

The Manager will not use the Receiver's name in any advertising, promotional materials, publicity releases or other written material distributed to prospective clients relating to the Services to be performed by the Manager hereunder or the results thereof without the prior written consent of the Receiver or as otherwise permitted hereunder.

13.02 Confidentiality

- (a) The Manager will keep confidential any and all information or data that has been made available or is hereafter made available to the Manager by the Receiver, as

well as all information concerning the results of the Services provided pursuant to this Agreement. The Manager will not disclose such information or data to others without the prior written consent of the Receiver. The Manager will only use such information or data in connection with its performance of the Services and for no other use whatsoever. All personal information will be administered according to applicable privacy Laws including the *Personal Information Protection and Electronic Documents Act* (Canada).

- (b) The Manager acknowledges and agrees that information on the Debtor and its operations, including customer lists and lists of potential customers, are critical to the value of the Debtor, disclosure of which could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Debtor or result in undue loss or undue gain to other persons. Further, such information may include information the disclosure of which could reasonably be expected to prejudice the economic interests of the Debtor and/or the Receiver or their respective competitive positions or the disclosure of which could reasonably be expected to result in undue financial benefit or loss to other persons.
- (c) The Manager acknowledges and agrees that damages may not be an adequate remedy for any breach or threatened breach of its obligations under this section 13.02. Accordingly, in addition to any and all other available remedies, the Receiver will be entitled to seek a temporary or permanent injunction or any other form of legal or equitable relief to enforce the obligations contained herein.

ARTICLE XIV - GENERAL

14.01 No Assignment

Neither party will assign, transfer or pledge this Agreement or any rights or obligations hereunder to any person without the prior written consent of the other party.

14.02 Entire Agreement

This Agreement, including any Schedules attached to this Agreement, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties or other agreements, whether oral or written, between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement.

14.03 Amendments

No amendment, supplement, modification, waiver or termination of this Agreement is binding on the parties unless it is in writing and signed by all of the parties.

14.04 Waiver

No waiver of any provision of this Agreement is deemed to constitute a waiver of any other provision, whether or not similar, nor does such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement. No forbearance by any party to seek a remedy for any breach by any other party of any provision of this Agreement constitutes a waiver of any rights or remedies with respect to any subsequent breach.

14.05 Applicable Law

This Agreement is to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario and is to be treated in all respects as an Ontario contract.

14.06 Invalidity

If any provision of this Agreement or any part of any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part shall not affect the validity, legality or enforceability of any other provision of this Agreement or the balance of any provision of this Agreement absent such part and such invalid, illegal or unenforceable provision or part are deemed to be severed from this Agreement and this Agreement will then be construed and enforced as if such invalid, illegal or unenforceable provision or part had never been inserted in this Agreement.

14.07 Time

Time is of the essence of this Agreement and no extension or variation of this Agreement operates as a waiver of this provision. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period is excluded. If the last day of such period is not a Business Day, the period in question ends on the next following Business Day.

14.08 Performance on Non-Business Days

If any action is required to be taken, or may be taken, pursuant to this Agreement on or by a specified date and such date is not a Business Day, then the date for taking such action is extended to the next following Business Day. If any time period contemplated by this Agreement ends on a day that is not a Business Day, then such time period is extended to the next following Business Day.

14.09 Further Assurances

The parties shall with reasonable diligence do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement. Each party shall provide and execute such further documents or instruments as may be reasonably required by any other party, exercise its influence and do and perform or cause to be done or performed such further and other acts as may be reasonably necessary or desirable to effect the purpose of and to carry out the provisions of this Agreement.

14.10 Notice

Any notice or other communication required or permitted to be given by this Agreement must be in writing and will be effectively given if:

- (a) delivered personally;
- (b) sent by prepaid courier service; or
- (c) sent by registered mail;

in the case of notice to the Receiver:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, Ontario
M5H 3S5
Attention: Hylton Levy, CPA, CA, CIRP

if to the Manager:

IM Hospitality Inc.
<*>
Attention: Iqbal Moledina

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section 14.10. Any notice or other communication delivered personally or by prepaid courier service is deemed to have been given and received on the day it is so delivered at such address, but if such day is not a Business Day such notice or other communication is deemed to have been given and received on the next following Business Day. Any notice or other communication sent by registered mail is deemed to have been given and received on the third Business Day following the date of mailing. Regardless of the foregoing, if there is a mail stoppage or labour dispute or threatened labour dispute which has affected or could affect normal mail delivery by Canada Post, then no notice or other communication may be delivered by registered mail.

14.11 Counterparts and Execution

This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered to all of the parties is deemed to be and is to be read as a single agreement among the parties. In addition, execution of this Agreement by any of the parties may be evidenced by way of a faxed or other electronic transmission of such party's signature (which signature may be by separate counterpart), or a photocopy of such faxed or other electronic transmission, and such signature, or photocopy of such signature, is deemed to constitute the original signature of such party to this Agreement.

14.12 Binding Effect

This Agreement enures to the benefit of and is binding on the parties and their respective successors and permitted assigns.

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DRAFT

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

A. FARBER & PARTNERS INC., solely in its capacity as Receiver and Manager of Pembroke Residence Ltd. and not in its personal capacity

Per: _____
Name: _____
Title: _____

IM HOSPITALITY INC.

Per: _____
Name: Iqbal Moledina
Title: _____

DRAFT

SCHEDULE "A"

SERVICES TO BE PERFORMED BY MANAGER

Effective on the Effective Date, the Manager shall supervise and manage the day-to-day operation of the Hotel and the programs and services offered by or in the Hotel in accordance with the Agreement. For greater certainty, the Manager shall at all times during the Term hereof provide the following services (collectively, the "Services"):

On-Going Operational Services

- (a) Manage, operate, direct, supervise and promote the use of the Hotel in a professional manner, to a standard of performance equal to or greater than facilities of a comparable nature and purpose in full compliance with all applicable Laws;
- (b) Hire, manage, train and supervise all personnel necessary for the efficient operation of the Hotel including facility managers and receptionist;
- (c) Manage the Hotel in an orderly and lawful manner and so that no act or thing whatsoever may be done, permitted or omitted to be done upon the Hotel which may be or may become a nuisance, damage, or unlawful disturbance to the Receiver, or to the owners or occupiers of any neighboring properties;
- (d) Ensure that, unless prevented by applicable Authorities or for reasons of repair and maintenance, the Hotel is open and available to the public every day, with the exception of December 25;
- (e) Ensure Hotel Staff members are instructed and trained as to their respective duties and have the necessary credentials and licenses to carry out those duties;
- (f) Subject to the prior approval of the Receiver, ensure the provision of any and all equipment and supplies necessary for the proper, economical and efficient operation of the Hotel; and the equipment therein is kept, at all times, in a safe and properly maintained condition and in a good and tenable state of repair as a reasonably prudent manager would in similar circumstances;
- (g) Assist as required in the collection of all receipts, fees, levies, contributions and any other charges due to the Hotel from all persons utilizing the Hotel and its services and follow all procedures for the deposit of same to the Bank Account;
- (h) Promptly and diligently notify the Receiver of any unusual condition that may develop in the operation of the Hotel. Such unusual conditions include accident, fire, flood, breakage, casualty or structural failure of any portion of the building;
- (i) Continuously promote and advertise the Hotel through use of membership awareness programs and sales campaigns, including the distribution of sales materials and the management of the sales process regarding usage of the Hotel;
- (j) Develop (and ensure compliance with) operating procedures for the Hotel including procedures for: legal liability and safety, health regulations and screening, membership,

emergencies, security, cleaning and maintaining the Hotel, financial and managerial control of all Hotel operations;

- (k) Notify the Receiver of significant staffing changes;
- (l) Perform any other duties or responsibilities as the Receiver may agree to in writing after the date of this Agreement;

Leasing & Tenant Relations

- (m) Manage relationships with existing tenants of the Hotel. The Manager shall not provide access to the Hotel to any tenant of the Hotel until such tenant provides evidence, satisfactory to the Receiver in its sole discretion, that the tenant has added to the insurance policy of the tenant, the Manager and the Receiver as additional named insureds, and that there is a valid lease agreement in place for use of the space;
- (n) Use commercially reasonable efforts to secure appropriate additional tenants for the Hotel, provided that such tenants shall be acceptable to the Receiver (including providing evidence that the prospective tenants will be adding the Receiver and the Manager as additional insured to the prospective tenant's general liability insurance coverage upon execution of the tenancy lease).

Hotel Maintenance & Operations

- (o) Provide all necessary cleaning and facilities maintenance services (including custodial, maintenance, security, capital repair and renewal services and projects) for the Hotel on a regular schedule;
- (p) Ensure that the Hotel interior and exterior is maintained on a timely and effective basis including snow and ice removal, walkways, pathways, parking areas, lawns, floral and shrub beds and removal of refuse and debris. In the event the Receiver reasonably determines that cleaning and facilities maintenance services do not meet the guidelines, the Receiver shall provide notice to the Manager of the deficiency and a request that such deficiency be remedied within a reasonable time frame taking into account the nature of the deficiency. The Manager shall remedy the deficiency within the time period referred to in the notice, failing which the Receiver may take any available remedial steps including engaging third parties to deliver the services. Any incremental cost incurred as a result of the Receiver's involvement in accordance with this subparagraph will be payable by the Manager unless the non-rectification of the deficiency was due to insufficient funds being available to the Manager;
- (q) Provide notice in writing forthwith to the Receiver regarding any required, advisable or appropriate Hotel repairs such as broken toilets and plumbing issues, door locks, broken or malfunctioning Equipment, and safety concerns;
- (r) Keep the Hotel in a state of good repair to the same extent and in the same manner as a prudent owner would, except only for reasonable wear that does not materially affect the foundations or structure of the Hotel, so that at all times throughout the Term and upon the termination of this Agreement the Hotel remains a fully operating and functioning recreational facility;

- (s) Liaise with utility suppliers and other third party service providers;
- (t) Establish reasonable rules for the safe use of the Hotel by members of the public using the Hotel which are similar to the rules in effect for other private or public recreation facilities in Canada. The Manager will, from time to time, amend the rules in keeping with any reasonable changes made to rules at other facilities or at the reasonable request of the Receiver;
- (u) Except where required by emergency, not incur Major Maintenance Costs without first obtaining the Receiver's written approval;
- (v) Not do, suffer or permit to be done any work, replacements, alterations or improvements to the Hotel which, in the Receiver's opinion acting reasonably, may weaken or endanger the structure or adversely affect the condition or operation of the Hotel or diminish the value thereof;
- (w) Where in the opinion of the Manager any capital acquisition is desirable for the better management and operation of the Hotel, propose such acquisition for discussion with the Receiver;
- (x) Promptly upon Notice by the Receiver, make and do all repairs and maintenance which the Manager is obliged to make and do pursuant to this Agreement;

Programs and Services

- (y) Ensure a clean, safe and professional environment for all participants, members and users of the Hotel;

General

- (z) Provide at the Receiver's sole cost and expense, sufficient, experienced and qualified supervision and security for the year-round operation of the Hotel;
- (aa) Comply with and perform its obligations under the Agreement honestly, in good faith and with due diligence;
- (bb) Not erect, install or suffer or permit to be erected or installed any signage in or on the Hotel without the prior written permission of the Receiver, such consent not to be unreasonably refused;
- (cc) Upon Termination, remove any permitted signage bearing the Manager's corporate name and/or logo, and reimburse the Receiver for the cost of any such signage paid for by the Receiver if those signs are usable by the Manager.

HANDS-ON CAPITAL INVESTMENTS INC. and
APPLICANT

PEMBROKE RESIDENCE LTD.
RESPONDENT

Court File No.: CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDINGS COMMENCED AT TORONTO

FIRST REPORT OF THE PROPOSED RECEIVER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, Ontario M5J 2T9
Tel: 416.863.1500
Fax: 416.863.1515

D. Robb English – LSUC #19862F1B
Tel: 416.863.1500
Fax: 416.863.1515

*Lawyers for the Proposed Receiver,
A. Farber & Partners Inc.*

Tab C



Court File No. 14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR

)

FRIDAY, THE 17TH DAY

)

JUSTICE NEWBOULD

)

OF OCTOBER, 2014

HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

- and -

PEMBROKE RESIDENCE LTD.

Respondent

RECEIVERSHIP ORDER

THIS APPLICATION made by Hands-On Capital Investments Inc. ("**Hands-On**") 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 A. Farber & Partners Inc. ("**Farber**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Pembroke Residence 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 Respondent's consent to the Receivership Order, the Application Record of Hands-On including the Notice of Application and the Affidavit of Iqbal Moledina sworn July 3, 2014, the First Report of the Proposed Receiver (the "**First Report**") and the consent of Farber to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Farber 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

2. **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 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, including, but not limited to, any agreement of purchase and sale entered into by the Debtor in respect of all or part of the Property;
- (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 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;
- (j) 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;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court, and in 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.

- (l) 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;
- (m) 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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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;
- (p) 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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to make an assignment into bankruptcy on behalf of the Debtor;
- (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.

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to enter into a Management Services Agreement with IM Hospitality Inc. (the "**Manager**"), substantially in the form attached as Appendix A to the First Report.

4. **THIS COURT ORDERS** that the sale process described in Section 4 of the First Report is hereby approved.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, 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

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the

credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated,

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

FUNDING OF THE RECEIVERSHIP

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$75,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.farberfinancial.com/insolvency-engagements/bid/390826/Pembroke-Residence-Ltd>'.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. **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.

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

29. **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.

30. **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.

31. **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.

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

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO..

OCT 16 2014
NB

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__.

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

Per: _____

Name:

Title:

HANDS-ON CAPITAL INVESTMENTS INC.

PEMBROKE RESIDENCE LTD.

Applicant

and

Respondent

Court File No. CV-14-10614-00CL

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

Proceedings commenced at TORONTO

RECEIVERSHIP ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Maya Poliak
LSUC Registration No. 54100A
Tel: (416) 218-1161
Fax: (416) 218-1844

Lawyers for the Applicant

Tab D

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of November 4, 2014.

BETWEEN:

A. **FARBER & PARTNERS INC.**, solely in its capacity as Receiver and Manager of Pembroke Residence Ltd. and not in its personal capacity (the "Receiver")

-and-

IM HOSPITALITY INC., a corporation incorporated pursuant to the laws of the Province of Ontario (the "Manager")

RECITALS:

- A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated October 17, 2014 (the "Receivership Order"), the Receiver was appointed as receiver, without security, of all of the assets, properties and undertakings (collectively, the "Property") of Pembroke Residence Ltd. (the "Debtor");
- B. Pursuant to the Receivership Order, the Receiver was empowered and authorized to, *inter alia*, manage, operate and carry on the business of the Debtor, and enter into an agreement for the management and operation of the business of the Debtor;
- C. The Debtor carries on business as a hotel operating as Knights Inn Toronto, which is located at the address municipally known as 117 Pembroke Street, Toronto, Ontario (the "Land");
- D. The Receiver wishes to engage the Manager, in accordance with the appointment order, to assist the Receiver in the management and operation of the business of the Debtor, subject to the terms and conditions contained herein; and
- E. The Manager and the Receiver have agreed to enter into this Agreement respecting the management and operation of the Hotel by the Manager upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed to by the parties), the parties agree as follows:

ARTICLE I- INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:



“**Agreement**” means this management services agreement, as same may be amended, restated, supplemented and replaced from time to time;

“**Authorities**” means all federal, provincial, municipal and other governmental authorities, departments, boards and agencies having or claiming jurisdiction;

“**Bank Account**” has the meaning set out in section 6.01;

“**Business**” means the operation of the Hotel;

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario;

“**Claims**” means claims, losses, damages (direct, indirect, consequential or otherwise), suits, judgments, causes of action, legal proceedings, executions, demands, penalties or other sanctions of every nature and kind whatsoever, whether accrued, actual, contingent or otherwise and any and all costs arising in connection therewith, including all legal fees and disbursements (including all such legal fees and disbursements in connection with any and all appeals);

“**Consumables**” means all consumables generally associated with the Business pursuant to this Agreement;

“**Consumer Price Index**” means (all items) prepared by Statistics Canada, or its successor or successors, for the City of Toronto, adjusted for any change in the base year, or any successor or similar index or compilation prepared by Statistics Canada, its successor or successors. If there ceases to be such an index or compilation, then “**CPI**” shall mean a similar measure as designated by the Receiver, acting reasonably;

“**Effective Date**” means the date of the Receivership Order;

“**Environmental Laws**” means all laws from time to time relating to protection of the environment and health and safety of the workplace, including all common law and the *Canadian Environmental Protection Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Fisheries Act* (Canada), the *Workplace, Health, Safety and Compensation Commission Act*, the *Waste Management Act* and all rules, regulations, policies and criteria promulgated thereunder from time to time;

“**Environmental Notice**” means any citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication from any person which is related to Environmental Laws;

“**Equipment**” means equipment, personal property and other assets located at the Hotel and used in the Business, including:

- (a) point-of-sale terminals;
- (b) signage, furnishings and any other equipment used in the Business;

- (c) rolling stock; and
- (d) office equipment including photocopiers, telephones, personal computers, printers and computer software.

"Franchise" means Knights Inn brand hotels in Canada;

"Franchise Agreement" means the franchise agreement between Knights Inn and the Franchisor;

"Franchisor" means Full House Franchise Systems Limited which holds the Canadian Master License for the Knights Inn brand hotels in Canada;

"GAAP", when used in respect of accounting terms or accounting determinations relating to a Person, means generally accepted accounting principles in effect from time to time in Canada, being those accounting principles set forth in the Handbook or other official record of accounting principles in Canada from time to time published by the Canadian Institute of Chartered Accountants, as such principles may be amended, varied or replaced by International Financial Reporting Standards (IFRS) then in effect and generally accepted in Canada and adopted or required to have been adopted by the Person;

"Gross Revenue" means all revenue of any kind derived directly or indirectly from operations at the Hotel (including rentals or other payments from lessees or concessionaires, any health facilities, any parking revenues and any fees from any licensee for the use of any space forming part of the Hotel but not including the gross revenues of licensees, lessees or concessionaires and any other charges to such licensees, lessees or concessionaires such as taxes, common area costs or premiums for insurance), determined in accordance with GAAP consistently applied, excluding, however, the following:

- (a) applicable excise, sales, gross income, room, entertainment and use taxes or similar government charges collected directly from patrons or guests, or as a part of the sales price of any goods, services or displays, such as gross receipts, admission or similar or equivalent taxes;
- (b) gains arising from the sale or other disposition of capital assets or unwanted inventory;
- (c) proceeds of any insurance;
- (d) rebates, discounts or credits of a similar nature (not including credit card discounts which shall be included as an item of revenue and shall be considered an operating expense); and
- (e) payments received at the Hotel for accommodations, goods or services to be provided at other hotels.



"Hazardous Substance" means any substance which is regulated under Environmental Laws, including any hazardous product, contaminant, toxic substance, deleterious substance, waste, special waste, dangerous good or reportable substance;

"Hotel" means the building and other improvements located on the Land consisting of approximately 51 guest rooms, breakfast rooms and other facilities, and all chattels, furniture, fixtures, and equipment and inventory located therein and used in the operation and management of the Hotel business operated therefrom;

"Hotel Staff" means employees hired by the Debtor or the Receiver following its appointment and contractors which may be retained by the Debtor or the Receiver following its appointment to provide services or work for the operations of the Hotel. For greater certainty, Hotel Staff excludes any person hired to provide services or work to the Manager;

"Land" is as defined in Recital "C";

"Laws" means all laws, statutes, ordinances, regulations, by-laws, directions, orders, orders-in-council, rules, requirements and guidelines of all Authorities, and for greater certainty includes Environmental Laws;

"Major Maintenance Costs" means maintenance costs which exceed the amount of \$5,000.00

"Management Fees" has the meaning set out in section 4.01;

"Person" means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, an Authority and any other legal or business entity;

"Receivership Order" has the meaning prescribed in the recitals above;

"Schedules" means the schedules attached to this Agreement and which are more particularly described in section 1.06;

"Services" means the services to be performed by the Manager hereunder including those described on Schedule "A"; and

"Term" has the meaning set out in section 10.01.

Certain terms which have been defined within specific sections or Articles of this Agreement for use solely within those sections or Articles are not referred to above.

1.02 Interpretation

In this Agreement:



- (a) words importing the singular include the plural and vice-versa, words importing gender include both genders and words importing persons include corporations and vice-versa;
- (b) any reference to a section or Schedule in this Agreement is deemed to be a reference to the applicable section or Schedule contained in or attached to this Agreement and to no other agreement or document unless specific reference is made to such other agreement or document;
- (c) any reference to a statute includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations;
- (d) unless otherwise indicated, all references to dollar amounts are references to Canadian dollars; and
- (e) all amounts to be paid pursuant to this Agreement are to be paid in Canadian dollars.

1.03 Construction

As used in this Agreement, the word "including" means "including but not limited to". This Agreement has been negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement. For purposes of this Agreement, the word "will" shall be equivalent in meaning to the word "shall," both of which describe an act or forbearance which is mandatory under this Agreement. The word "may" describes an act or forbearance which is optional under this Agreement.

1.04 Headings

The division of this Agreement into Articles and sections and the insertion of headings is for convenience of reference only and does not affect the construction or interpretation of this Agreement or any part of it.

1.05 Recitals

The recitals are incorporated as an integral part of this Agreement.

1.06 Schedules

The Schedules are as follows:

Schedule "A" - Services to be Performed by Manager

The Schedules are incorporated into and form an integral part of this Agreement.



ARTICLE II - APPOINTMENT

2.01 Appointment

- (a) Subject to the exclusive authority of the Receiver over management of the Hotel, effective upon the Effective Date, the Receiver hereby appoints the Manager, to manage the Hotel and otherwise provide the Services during the Term in accordance with this Agreement.
- (b) The Manager hereby accepts the appointment set out in Section 2.01(a) and agrees to provide the Services and comply with the provisions of this Agreement.

2.02 Receivership Order

- (a) This Agreement (including, in particular, the appointment provided for in section 2.01(a)) shall not become effective unless and until the Court has issued the Receivership Order.
- (b) Subject to Article X hereof, this Agreement shall remain in full force and effect only so long as the Receivership Order remains in full force and effect and its enforcement is not subject to any stay of proceedings or prohibitive injunction.

2.03 Independent Contractor

The Manager will provide the Services to the Receiver as an independent contractor and the relationship between the Receiver and the Manager created by this Agreement will not be considered in any way an employment relationship, a landlord and tenant relationship, partnership, agency, or joint venture. The Manager will have no power or authority to bind the Receiver or to assume or create any obligations or responsibility, express or implied, on the Receiver's behalf or in its name except as expressly provided in this Agreement or as may be expressly agreed to in writing by the Receiver, nor will the Manager represent to anyone that it has such power or authority.

2.04 No Borrowing by Manager

The Manager shall not be entitled to borrow money for any purpose whatsoever without the express written consent of the Receiver and the Receiver shall not have any responsibility or liability for any money borrowed without such consent.

2.05 Ownership and Hotel Use

The Hotel is and will at all times remain the sole property of the Debtor and cannot be used for any purpose other than those set out herein or otherwise for purposes expressly approved and authorized by the Receiver from time to time in writing.

2.06 Working Relationship Guidelines

The Receiver and the Manager agree to work collaboratively together. Each party will appoint an individual as its primary representative and contact person for the purposes of this



Agreement. Each party will advise the other party in writing of the name, telephone number, email address and fax number of its representative and each party may change its representative from time to time by notice in writing to the other.

2.07 Access to Records

The Manager hereby grants to the Receiver access to all books, receipts, records, written instructions, and correspondence related to the provision of the Services authorized under this Agreement, which will be made available on reasonable notice during regular business hours at the Hotel or at the office of the Manager as the case may be.

2.08 Participation in Sale Process

Nothing contained herein shall prevent the Manager or its affiliates from submitting a bid or otherwise participating in any sale process in respect of the Property (including the Hotel).

ARTICLE III – THE SERVICES

3.01 Provision of Services

- (a) Subject to the direction of the Receiver and the provisions of this Agreement, the Manager shall diligently manage, operate and maintain the Hotel and otherwise provide the Services in an economic and efficient manner as would a prudent and reasonable owner of similar properties so as to preserve and protect the Hotel and maximize earnings therefrom.
- (b) In performing its duties and obligations hereunder, the Manager shall act honestly and in good faith.

3.02 Hotel Staff

- (a) The Manager will be responsible for day to day management and oversight of the Hotel Staff.
- (b) The Manager will be responsible for making recommendations to the Receiver with respect to hiring or engaging as an independent contractor any Hotel Staff subsequent to the Effective Date, which responsibilities will include their hiring, reference and security checks (if found to be necessary or desirable by the Receiver prior to hiring or engagement), establishing compensation, training, evaluation and discipline at the Manager's sole discretion and based on the Manager's human resources policies and procedures.
- (c) The Manager will provide adequate coverage for any vacation, sick, training, personal or other leaves of absence for Hotel Staff. For clarity, the Manager shall at all times ensure that sufficient staff is on hand or available at all relevant times to adequately and lawfully operate the Hotel and provide sufficient supervision and management in connection therewith.



- (d) The Manager will be responsible for training Hotel Staff, as necessary, to ensure their adequate and lawful performance hereunder and will conduct such reference and security checks as the Receiver may request.
- (e) The Manager will comply with all present and future Laws relating to employment, wages, benefits, source deductions, withholdings, hours of labour and working conditions in connection with the Hotel Staff. The Manager will prepare any documents required under the Law relating to employment, wages, benefits, source deductions, withholdings and hours of labour in connection with the Hotel Staff and deliver such documents to the Receiver on a minimum notice of two (2) business days prior to the date on which documents are required for filing.
- (f) The Manager represents, warrants and covenants that Hotel Staff will, at all times while at the Hotel or on any other part of the property of the Debtor, abide by any order of the Court as well as the Receiver's policies, procedures and directives, as amended from time to time, concerning privacy, health and safety or any other Laws determined applicable by the Receiver.

ARTICLE IV - COMPENSATION

4.01 Management Fees

- (a) In consideration of the Manager performing the Services during the Term, the Receiver will pay monthly management fees to the Manager (the "Management Fees") in accordance with this Agreement in an amount equal to the greater of: (i) \$5,000; or (ii) seven and one-half per cent (7.5%) of Gross Revenue for each month, which Management Fee shall be payable on the fifteenth (15th) day of the following month.
- (b) In the event that the Term is extended past the date that is one (1) year after the Effective Date, the amount of the Management Fees payable after that date for the next ensuing year shall be adjusted in accordance with the Consumer Price Index percentage change for the 2014 calendar year.

ARTICLE V - COSTS & BUDGETING

5.01 Costs

Except as otherwise expressly provided herein, the Receiver shall pay all costs and expenses incurred in connection with operation of the Hotel, provided that such expenses are incurred in the ordinary course of business.

5.02 Reimbursement of Expenses

The Receiver shall reimburse the Manager for all reasonable out-of-pocket expenses incurred by the Manager, including payment of travel expenses at the rate of \$0.54 per km, and

approved in advance by the Receiver provided that reimbursement requests are accompanied by appropriate receipts or other documentation satisfactory to the Receiver.

5.03 Operating Reports

The Manager will provide monthly operating reports regarding the financial and operating status of the Hotel, including programs and usage statistics and the Manager shall provide such other information as may be reasonably requested by the Receiver.

ARTICLE VI - BANKING

6.01 Bank Account

The Receiver has the right to designate the banks with which the Hotel shall conduct its various banking affairs, and all funds received in the operation of the Hotel shall be deposited into one or more special accounts bearing the name of the Hotel in a bank selected by the Receiver, having a branch reasonably convenient to the Hotel (the "**Bank Account**"). The Bank Account shall be under the control of the Receiver. Cheques and other documents of withdrawal shall be signed only by the Receiver. Out of such accounts, all operating expenses, as well as the Management Fee, payroll expenses and other expenses to be paid to or reimbursed to the Manager in accordance with the terms and provisions of this Agreement shall be paid by deduction therefrom.

6.02 Ownership of Account

The Bank Account is for the benefit of the Hotel and all funds deposited therein are the property of the Receiver.

6.03 Banking Duties

The Manager will perform all banking duties necessary for the due performance of the accounting and administrative functions under the provisions of this Agreement and for the receipt and disbursement of all funds arising from the operation and the management of the Hotel in accordance with sound management practices.

6.04 Banking Records

In addition to any other obligation prescribed herein, the Manager shall maintain detailed accounting records (in accordance with GAAP) in respect of its management of the Hotel and the operation of the Hotel including copies of all Bank Account statements, cancelled cheques, deposit slips, electronic transfer records, work orders, purchasing orders, receipts, invoices, time sheets and other supporting documentation, and shall provide copies of such records to the Receiver upon request.

6.05 Payments

All payments to third parties (including to Hotel Staff on account of salary, wages or commission) shall be made by the Receiver by cheque or electronic funds transfer, provided that petty cash disbursements may be made in cash. Manager shall provide to the Receiver any



statutory forms and supporting documents required to be filed in support of all payments on a minimum notice of two (2) business days prior to the date on which the amounts due shall be paid.

6.06 Accounting Services

The Manager will be responsible for all revenue reconciliations, recording and payment of accounts payable, bank deposits, and securing payment system licenses (such as credit card, debit card and other payment systems), together with training and ongoing support services for same, for use by the Manager hereunder.

ARTICLE VII – OTHER MANAGER OBLIGATIONS

7.01 Compliance

In the provision of the Services, the Manager will, and will cause its subcontractors and their respective employees, agents and representatives to, comply with and observe all applicable Laws, regulations and orders of all lawful Authorities having jurisdiction over the Services.

7.02 Other Covenants

In addition to the other covenants and obligations to be performed by the Manager hereunder including the provision of all services as set out in Schedule A attached hereto, the Manager covenants and agrees that it will, at all times during the Term:

- (a) maintain its corporate existence under the laws of the Province of Ontario and remain duly qualified to do business in Canada and in the City of Toronto, in the Province of Ontario;
- (b) make full, frank and immediate disclosure to the Receiver (or its representatives or advisors) of all matters coming to the attention of the Manager or any of its officers, directors, employees, agents, servants, consultants or independent contractors in relation to the Hotel and this Agreement which are material and/or adverse to the interests of the Receiver;
- (c) the Manager shall prepare all HST and payroll returns in the name of the Debtor(s), using a divisional account of the Debtor(s) to be assigned by the Canada Revenue Agency and remit to the Receiver on a minimum notice of two (2) business days prior to the date on which documents are required for filing. The Receiver shall be responsible for remitting HST and payroll deduction as calculated and collected by the Manager;
- (d) the Manager shall arrange for preparation of records of employment and any other return or filing related to employment and tax matters;
- (e) make any remittances to any Authorities as required by Law including, without limitation, employee withholdings, source deductions, WSIB premiums and HST;



- (f) make recommendations to the Receiver to enter into contracts, agreements, sub-leases, rentals, licenses or concessions ("concession agreements") for space rentals, vending and other confectionary or consumables upon such terms and conditions that the Manager may deem proper, in the exercise of its professional judgment in the best interests of the Receiver and subject to the terms of this agreement. The foregoing obligations of the Manager shall also include the preparation, if necessary, or the revision for the Receiver's review and approval of concession agreements, negotiations with persons regarding any modifications to the terms of such concession agreements and the arranging for their execution, to receive and approve plans and specifications, pursuant to concession agreements, or leasehold improvements and to secure approvals required by Law for such matters; and
- (g) make recommendations to the Receiver to enter into contracts or agreements for standard equipment and software that is employed in its existing facilities to facilitate training and ongoing support of such equipment and software.

7.03 Compliance with Franchise

- (a) The Manager, in the observance and performance of its duties and obligations set forth in this Agreement, in respect of the Hotel, shall accept, abide by and be subject to, all rules, regulations, inspections and requirements of the Franchisor;
- (b) If there is any conflict between the terms and conditions set forth in this Agreement and the terms and conditions set forth in the Franchise Agreement, the terms and conditions set forth in the Franchise Agreement shall prevail to the extent of such conflict;

7.04 Reporting

- (a) The Manager shall at all times during the Term, provide the Receiver:
 - (i) within twenty (20) days of the following month, a statement of receipts and disbursements;
 - (ii) within twenty (20) days of the following month, an aged accounts receivable report including arrears from members, tenants and doubtful accounts, and recommended actions to be taken;
 - (iii) within twenty (20) days of the following month, an accounts payable listing;
 - (iv) within twenty (20) days of the following month, future bookings of the other events at the Hotel;
 - (v) within twenty (20) days of the following month, bank account reconciliations; and

- (vi) copies of invoices as may be requested by the Receiver.
- (b) The Manager shall provide the Receiver with the information the Receiver reasonably requires to prepare and issue the necessary notices and reports by a "Receiver" pursuant to Sections 245 and 246 of the *Bankruptcy and Insolvency Act*.
- (c) The Manager shall provide the Receiver with such other information and reports as the Receiver shall reasonably request from time to time.
- (d) This obligation in section 7.04(c) will survive any expiration or termination of this Agreement in respect of information that was obtained through, and in connection with, the Term.

7.05 No Claims by Manager

Except as provided in Article XI hereto, the Manager covenants and agrees that, upon termination or expiration of this Agreement, the Manager will not have nor commence any right of action whatsoever against the Receiver, including any direct or indirect right or action at law or in equity, for:

- (a) any losses sustained by the Manager arising from, relating to or in breach of any term or provision of this Agreement; and
- (b) in no event will the Manager be entitled to make any claim of any kind after one year from the expiry or termination of the within Agreement.

ARTICLE VIII - ENVIRONMENTAL MATTERS

8.01 Obligations Regarding Environmental Matters

In addition to the other covenants and obligations to be performed by the Manager hereunder, the Manager covenants and agrees that it will, at all times during the Term:

- (a) manage the Hotel in compliance with all Laws;
- (b) not use or permit any person for whom it is in law responsible to use the Hotel or the Land for the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in, on or under the Land and the Hotel, except in compliance with applicable Laws;
- (c) without deviating from the Manager's obligations under Section 8.01(b), forthwith notify the Receiver of the occurrence of any of the following and provide the Receiver with copies of all relevant documentation in connection therewith:
 - (i) a release of a Hazardous Substance in or about the Hotel, except in strict compliance with Laws and any applicable permits;



- (ii) the receipt by the Manager of an Environmental Notice; or
- (iii) the receipt by the Manager of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environment by anyone in or on the Land and the Hotel in a manner other than that authorized under Environmental Laws;
- (d) if the Receiver or the Manager receives information that Hazardous Substances, which have been brought onto or released at or from the Land by the Manager or those for whom it is in law responsible, are being dissipated, used, stored, disposed of or introduced into the environment in or on the Land and the Hotel in a manner other than that authorized under Laws, conduct such investigations, searches, testing, drilling and sampling as are requested from time to time by the Receiver acting reasonably or any Authorities to determine the existence of such Hazardous Substances in or about the Hotel;
- (e) upon the request of the Receiver from time to time, provide to the Receiver satisfactory documentary evidence that all permits are valid and in good standing

8.02 No Liability for Pre-Existing Condition

Notwithstanding anything contained in section 8.01, the Manager will not be responsible for the remediation of hazardous substances that were present prior to the Effective Date or hazardous substances migrating into, onto or under the Land and Hotel from adjacent lands.

ARTICLE IX – OTHER RECEIVER OBLIGATIONS

9.01 Provision of the Hotel

The Receiver agrees to provide the Manager with access to the Hotel as contemplated by this Agreement and the delivery of the Services hereunder.

ARTICLE X- TERM AND TERMINATION

10.01 Term

- (a) The appointment of the Manager under this Agreement commences on the Effective Date and continues in full force and effect until the earliest date (the "**Termination Date**") upon which any of the following occurs:
 - (i) the completion of the sale of the Hotel;
 - (ii) the date that is twelve (12) months from the Effective Date unless renewed prior to such date by written agreement between the parties hereto;

- (iii) the Manager commits an act of bankruptcy, becomes insolvent, makes an assignment or proposal under the *Bankruptcy and Insolvency Act* (Canada), or makes a bulk sale of its assets;
 - (iv) a proceeding is commenced with respect to the Manager under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation, or to have a receiver appointed in respect of the Manager;
 - (v) the thirtieth (30th) day after delivery of written notice of termination by the Manager to the Receiver or by the Receiver to the Manager, as the case may be;
 - (vi) the Receivership Order is subject to a stay of proceedings or prohibitive injunction or is otherwise of no force and effect;
 - (vii) destruction of the Hotel or similar event requiring evacuation of all occupants of the Hotel;
 - (viii) a breach of trust as described in section 6.02; and
 - (ix) fraud, wilful misconduct or gross negligence on the part of the Manager.
- (b) The period between the Effective Date and the Termination Date shall collectively be called the "**Term**".

10.02 Events Following Termination

- (a) Upon the termination of this Agreement for any reason (a "**Termination**"), the Manager will:
- (i) within twenty (20) days after the Termination Date, complete and deliver to the Receiver final financial statements and accounts to the Termination Date consistent in form and content with those provided prior to Termination;
 - (ii) cease to represent itself as providing the Services to the Receiver;
 - (iii) within five (5) days after the Termination Date, deliver to the Receiver, or as the Receiver may direct, all confidential information and materials relating to the Hotel or the Services including books and records, Leases, offers to lease and agreements to lease, contracts, accounts and any and all other documents and materials in the possession or control of the Manager relating to the Hotel obtained during the Term;
 - (iv) disclose to the Receiver the current state of the Services;

- (v) as of the Termination Date, turn over management of the Hotel to the Receiver or as the Receiver may direct; and
 - (vi) fully and without reservation cooperate with the Receiver in transitioning the Services and management obligations of the Hotel to whomever the Receiver identifies as the Manager's successor.
- (b) Upon Termination, each of the Receiver and the Manager shall satisfy any outstanding obligations to the other which accrued to the Termination Date including payment of accrued Management Fees save and except that:
- (i) if Termination occurs due to completion of a sale of the Hotel, the Manager shall receive Management Fees as if Termination had occurred on the thirtieth (30th) day after completion of the sale; and
 - (ii) notwithstanding anything else herein contained, in the event of the Manager's fraud or wilful misconduct, the Manager shall not be entitled to any accrued compensation or fees hereunder, all of which shall be forfeited to the Receiver.

10.03 Force Majeure

Delays in or the failure of either party to perform its obligations under this Agreement will not constitute a default hereunder or give rise to any claim for damages if and to the extent caused by occurrences beyond the control of the party so affected, including, but not limited to, decrees of government (whether federal, provincial or municipal), acts of God, strikes or other concerted acts of workers, inability to procure materials or labour, fires, floods, explosions, riots, war, rebellion, sabotage and atomic or nuclear incidents, but lack of finances will in no event be deemed to be a cause beyond a party's control.

10.04 Assistance

The Manager and the Receiver will co-operate with each other in a commercially reasonable manner in the event of any labour disruption or *force majeure* that interferes with the management or operation of the Hotel or the ability of the Manager to perform its obligations hereunder with a view to alleviating such interference.

ARTICLE XI- INDEMNIFICATION

11.01 Manager's Indemnity in Favour of the Receiver

The Manager hereby covenants and agrees to and hereby does indemnify and save the Receiver harmless of and from any and all Claims, including those arising from damage to property and injuries or death to persons arising from or in connection with:

- (a) any negligent act or misconduct by the Manager or any of the Manager's directors, officers, employees, servants, agents, representatives, contractors or any person for whom the Manager is legally responsible; and



- (b) any breach of the terms and conditions contained in the Agreement on the part of the Manager to be observed or performed by the Manager, or any of the Manager's directors, officers, employees, servants, agents, representatives, contractors or any person for whom the Manager is legally responsible.

11.02 Exercise of Indemnity in Favour of the Receiver

The Receiver may rely on the indemnification in section 11.01 provided that the Receiver promptly notifies the Manager in writing of any such Claims against the Receiver.

11.03 Receiver's Indemnity in Favour of the Manager

Subject to the provisions of Section 11.01, the Receiver shall, during and after the termination of the Term, protect, indemnify and save the Manager and its officers and directors, completely free and harmless from and against any and all Claims for or in respect of any and all injuries to persons or property, obligations, liabilities, debts, costs, expenses, losses, demands and fees whatsoever, arising from any cause whatsoever in connection with the performance or exercise by the Manager of any or all of its duties, obligations or powers under this Agreement.

11.04 Exercise of Indemnity in Favour of the Manager

The Manager may rely on the indemnification in section 11.03 provided that the Manager promptly notifies the Receiver in writing of any such Claims against the Receiver.

11.05 Survival of Indemnities

The Manager's and Receiver's respective obligations under sections 11.01 and 11.03 will survive any expiration or termination of this Agreement provided, however, this obligation will end no later than the date the Receiver is discharged as receiver and manager of the Debtor.

ARTICLE XII - INSURANCE

12.01 Insurance

- (a) Prior to commencement of the provision of the Services contemplated hereunder, and throughout the Term, the Manager shall, at the expense of the Receiver, obtain and/or maintain the following insurance policies:
 - (i) keep all the insurable properties included in the Hotel insured against loss or damage by fire and all other insurable perils included in the broad form extended coverage endorsement available under fire policies in an amount not less than the then-full insurable value. The term "**full insurable value**" when applied to the Hotel, means the actual replacement cost (including foundation, footing, and excavation costs);
 - (ii) maintain comprehensive public, products and innkeepers liability and property damage insurance against claims for personal and bodily injury

or death and property damage occurring, in or about the Hotel, or the adjoining streets thereof;

The limits of the policy or policies of such insurance shall be deemed satisfied if the Receiver maintains such policy or policies with a single limit of not less than \$5 million, with excess liability coverage of not less than \$2 million, wherever practicable, or such higher amount as the Receiver and the Manager may agree acting prudently;

- (iii) maintain insurance (including, without limitation, boiler and pressure vessel insurance and automobile liability insurance), against other insurable risks, and in such amounts which at the time are commonly insured against by owners of hotel premises in similar locations having regard to the then existing circumstances and to the type, construction, design, use and occupancy of the Hotel;

which insurance policies shall name the Receiver as an additional named insured and shall otherwise be in form and substance satisfactory to the Receiver, acting reasonably.

- (b) Upon request by the Receiver, the Manager will provide the Receiver with proof of insurance as described above including any renewal or replacement thereof or endorsement thereto, provided that the Manager will deliver to the Receiver notice of the continuation of any such policy not less than ten (10) days prior to its expiry date.
- (c) The Manager shall not do, or suffer or permit to be done, any act, activity or thing which may render void or voidable, or which may conflict with the requirements of any policy or policies of insurance in respect of the Hotel.

ARTICLE XIII - CONFIDENTIALITY

13.01 Receiver's Name

The Manager will not use the Receiver's name in any advertising, promotional materials, publicity releases or other written material distributed to prospective clients relating to the Services to be performed by the Manager hereunder or the results thereof without the prior written consent of the Receiver or as otherwise permitted hereunder.

13.02 Confidentiality

- (a) The Manager will keep confidential any and all information or data that has been made available or is hereafter made available to the Manager by the Receiver, as well as all information concerning the results of the Services provided pursuant to this Agreement. The Manager will not disclose such information or data to others without the prior written consent of the Receiver. The Manager will only use such information or data in connection with its performance of the Services and for no other use whatsoever. All personal information will be administered



according to applicable privacy Laws including the *Personal Information Protection and Electronic Documents Act* (Canada).

- (b) The Manager acknowledges and agrees that information on the Debtor and its operations, including customer lists and lists of potential customers, are critical to the value of the Debtor, disclosure of which could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of the Debtor or result in undue loss or undue gain to other persons. Further, such information may include information the disclosure of which could reasonably be expected to prejudice the economic interests of the Debtor and/or the Receiver or their respective competitive positions or the disclosure of which could reasonably be expected to result in undue financial benefit or loss to other persons.
- (c) The Manager acknowledges and agrees that damages may not be an adequate remedy for any breach or threatened breach of its obligations under this section 13.02. Accordingly, in addition to any and all other available remedies, the Receiver will be entitled to seek a temporary or permanent injunction or any other form of legal or equitable relief to enforce the obligations contained herein.

ARTICLE XIV - GENERAL

14.01 No Assignment

Neither party will assign, transfer or pledge this Agreement or any rights or obligations hereunder to any person without the prior written consent of the other party.

14.02 Entire Agreement

This Agreement, including any Schedules attached to this Agreement, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties or other agreements, whether oral or written, between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement.

14.03 Amendments

No amendment, supplement, modification, waiver or termination of this Agreement is binding on the parties unless it is in writing and signed by all of the parties.

14.04 Waiver

No waiver of any provision of this Agreement is deemed to constitute a waiver of any other provision, whether or not similar, nor does such waiver constitute a continuing waiver unless otherwise expressly provided in this Agreement. No forbearance by any party to seek a remedy for any breach by any other party of any provision of this Agreement constitutes a waiver of any rights or remedies with respect to any subsequent breach.

14.05 Applicable Law

This Agreement is to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario and is to be treated in all respects as an Ontario contract.

14.06 Invalidity

If any provision of this Agreement or any part of any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part shall not affect the validity, legality or enforceability of any other provision of this Agreement or the balance of any provision of this Agreement absent such part and such invalid, illegal or unenforceable provision or part are deemed to be severed from this Agreement and this Agreement will then be construed and enforced as if such invalid, illegal or unenforceable provision or part had never been inserted in this Agreement.

14.07 Time

Time is of the essence of this Agreement and no extension or variation of this Agreement operates as a waiver of this provision. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period is excluded. If the last day of such period is not a Business Day, the period in question ends on the next following Business Day.

14.08 Performance on Non-Business Days

If any action is required to be taken, or may be taken, pursuant to this Agreement on or by a specified date and such date is not a Business Day, then the date for taking such action is extended to the next following Business Day. If any time period contemplated by this Agreement ends on a day that is not a Business Day, then such time period is extended to the next following Business Day.

14.09 Further Assurances

The parties shall with reasonable diligence do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement. Each party shall provide and execute such further documents or instruments as may be reasonably required by any other party, exercise its influence and do and perform or cause to be done or performed such further and other acts as may be reasonably necessary or desirable to effect the purpose of and to carry out the provisions of this Agreement.

14.10 Notice

Any notice or other communication required or permitted to be given by this Agreement must be in writing and will be effectively given if:

- (a) delivered personally;
- (b) sent by prepaid courier service; or



(c) sent by registered mail;

in the case of notice to the Receiver:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, Ontario
M5H 3S5
Attention: Hylton Levy, CPA, CA, CIRP

if to the Manager:

IM Hospitality Inc.
9 Horner Court
Richmond Hill, ON
L4B 3G6
Attention: Iqbal Moledina
Email: imhospitality@hotmail.com
Tel: 416-576-6995

or at such other address as the party to whom such notice or other communication is to be given shall have advised the party giving same in the manner provided in this section 14.10. Any notice or other communication delivered personally or by prepaid courier service is deemed to have been given and received on the day it is so delivered at such address, but if such day is not a Business Day such notice or other communication is deemed to have been given and received on the next following Business Day. Any notice or other communication sent by registered mail is deemed to have been given and received on the third Business Day following the date of mailing. Regardless of the foregoing, if there is a mail stoppage or labour dispute or threatened labour dispute which has affected or could affect normal mail delivery by Canada Post, then no notice or other communication may be delivered by registered mail.

14.11 Counterparts and Execution

This Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered to all of the parties is deemed to be and is to be read as a single agreement among the parties. In addition, execution of this Agreement by any of the parties may be evidenced by way of a faxed or other electronic transmission of such party's signature (which signature may be by separate counterpart), or a photocopy of such faxed or other electronic transmission, and such signature, or photocopy of such signature, is deemed to constitute the original signature of such party to this Agreement.

14.12 Binding Effect

This Agreement enures to the benefit of and is binding on the parties and their respective successors and permitted assigns.

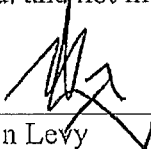
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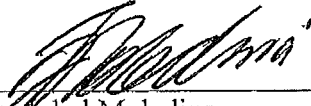
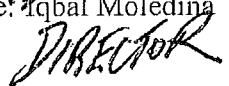
Handwritten signature

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

A. FARBER & PARTNERS INC., solely in its capacity as Receiver and Manager of Pembroke Residence Ltd. and not in its personal capacity

Per: 
Name: Hylton Levy
Title: Partner

IM HOSPITALITY INC.

Per: 
Name: Iqbal Moledina
Title: 

SCHEDULE "A"

SERVICES TO BE PERFORMED BY MANAGER

Effective on the Effective Date, the Manager shall supervise and manage the day-to-day operation of the Hotel and the programs and services offered by or in the Hotel in accordance with the Agreement. For greater certainty, the Manager shall at all times during the Term hereof provide the following services (collectively, the "Services"):

On-Going Operational Services

- (a) Manage, operate, direct, supervise and promote the use of the Hotel in a professional manner, to a standard of performance equal to or greater than facilities of a comparable nature and purpose in full compliance with all applicable Laws;
- (b) Manage, train and supervise all personnel necessary for the efficient operation of the Hotel including facility managers and receptionist;
- (c) Manage the Hotel in an orderly and lawful manner and so that no act or thing whatsoever may be done, permitted or omitted to be done upon the Hotel which may be or may become a nuisance, damage, or unlawful disturbance to the Receiver, or to the owners or occupiers of any neighboring properties;
- (d) Ensure that, unless prevented by applicable Authorities or for reasons of repair and maintenance, the Hotel is open and available to the public every day;
- (e) Ensure Hotel Staff members are instructed and trained as to their respective duties and have the necessary credentials and licenses to carry out those duties;
- (f) Subject to the prior approval of the Receiver, ensure the provision of any and all equipment and supplies necessary for the proper, economical and efficient operation of the Hotel; and the equipment therein is kept, at all times, in a safe and properly maintained condition and in a good and tenable state of repair as a reasonably prudent manager would in similar circumstances;
- (g) Assist as required in the collection of all receipts, fees, levies, contributions and any other charges due to the Hotel from all persons utilizing the Hotel and its services and follow all procedures for the deposit of same to the Bank Account;
- (h) Promptly and diligently notify the Receiver of any unusual condition that may develop in the operation of the Hotel. Such unusual conditions include accident, fire, flood, breakage, casualty or structural failure of any portion of the building;
- (i) Continuously promote and advertise the Hotel through use of membership awareness programs and sales campaigns, including the distribution of sales materials and the management of the sales process regarding usage of the Hotel;
- (j) Develop (and ensure compliance with) operating procedures for the Hotel including procedures for: legal liability and safety, health regulations and screening, membership,



emergencies, security, cleaning and maintaining the Hotel, financial and managerial control of all Hotel operations;

- (k) Notify the Receiver of significant staffing changes;
- (l) Perform any other duties or responsibilities as the Receiver may agree to in writing after the date of this Agreement;

Hotel Maintenance & Operations

- (m) Provide all necessary cleaning and facilities maintenance services (including custodial, maintenance, security, capital repair and renewal services and projects) for the Hotel on a regular schedule;
- (n) Ensure that the Hotel interior and exterior is maintained on a timely and effective basis including snow and ice removal, walkways, pathways, parking areas, lawns, floral and shrub beds and removal of refuse and debris. In the event the Receiver reasonably determines that cleaning and facilities maintenance services do not meet the guidelines, the Receiver shall provide notice to the Manager of the deficiency and a request that such deficiency be remedied within a reasonable time frame taking into account the nature of the deficiency. The Manager shall remedy the deficiency within the time period referred to in the notice, failing which the Receiver may take any available remedial steps including engaging third parties to deliver the services;
- (o) Provide notice in writing forthwith to the Receiver regarding any required, advisable or appropriate Major Maintenance Costs and safety concerns;
- (p) Keep the Hotel in a state of good repair to the same extent and in the same manner as a prudent owner would, except only for reasonable wear that does not materially affect the foundations or structure of the Hotel, so that at all times throughout the Term and upon the termination of this Agreement the Hotel remains a fully operating and functioning facility;
- (q) Liaise with utility suppliers and other third party service providers;
- (r) Establish reasonable rules for the safe use of the Hotel by members of the public using the Hotel which are similar to the rules in effect for other private or public recreation facilities in Canada. The Manager will, from time to time, amend the rules in keeping with any reasonable changes made to rules at other facilities or at the reasonable request of the Receiver;
- (s) Except where required by emergency, not incur Major Maintenance Costs without first obtaining the Receiver's written approval;
- (t) Not do, suffer or permit to be done any work, replacements, alterations or improvements to the Hotel which, in the Receiver's opinion acting reasonably, may weaken or endanger the structure or adversely affect the condition or operation of the Hotel or diminish the value thereof;



- (u) Where in the opinion of the Manager any capital acquisition is desirable for the better management and operation of the Hotel, propose such acquisition for discussion with the Receiver;
- (v) Promptly upon Notice by the Receiver and undertaking by the Receiver in respect of payment for same, make and do pursuant to this Agreement;

Programs and Services

- (w) Ensure a clean, safe and professional environment for all participants, members and users of the Hotel;

General

- (x) Provide at the Receiver's sole cost and expense, sufficient, experienced and qualified supervision and security for the year-round operation of the Hotel;
- (y) Comply with and perform its obligations under the Agreement honestly, in good faith and with due diligence;
- (z) Not erect, install or suffer or permit to be erected or installed any signage in or on the Hotel without the prior written permission of the Receiver, such consent not to be unreasonably refused;
- (aa) Upon Termination, remove any permitted signage bearing the Manager's corporate name and/or logo, and reimburse the Receiver for the cost of any such signage paid for by the Receiver if those signs are usable by the Manager.

A handwritten signature in black ink, appearing to be 'J.M. [unclear]', located in the bottom right corner of the page.

Tab E



CIBC Account Statement

PEMBROKE RESIDENCE LTD.

For Jul 1 to Jul 31, 2014

Account number
17-60815

Branch transit number
03522

The names shown are based on our current records, as of December 12, 2014. This statement does not reflect any changes in account holders and account holder names that may have occurred prior to this date.

Account summary

Opening balance on Jul 1, 2014			-\$2,901.50
Withdrawals	-		113,159.09
Deposits	+		110,962.99
Closing balance on Jul 31, 2014	=		-\$5,097.60

Contact information

☎ 1 800 465 CIBC (2422)

Contact us by phone for questions on this update, change of personal information, and general inquiries, 24 hours a day, 7 days a week.

TTY hearing impaired

1 800 465 7401

Outside Canada and the U.S.

1 902 420 CIBC (2422)

🌐 www.cibc.com

Transaction details

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 1	Opening balance			-\$2,901.50
Jul 2	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		71.72	-2,829.78
	MISC PAYMENT EF0630 05208244 ROYAL BANK CENTRAL CARD CENTRE		489.28	-2,340.50
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		2,210.29	-130.21
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		126.87	-3.34
	ABM WITHDRAWAL 3E38 CHURCH + CARLTON 18242 4506*****258	560.00		-563.34

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014

Account number: 17-60815

Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 2	Balance forward			-\$563.34
	INTERNET BILL PMT000000519081	235.84		-799.18
	WSIB ONTARIO SCHEDULE 1 4506*****258			
	MISC PAYMENT		15.00	-784.18
	DSV DEP05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		289.68	-494.50
	EF0701 05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		932.84	438.34
	MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		252.61	690.95
	VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE			
	PRE-AUTH DEBIT	1,491.06		-800.11
	Lease Payment BUSINESS PAD			
	INSURANCE	192.29		-992.40
	FORESTERS LIFE INSURANCE COMPA			
	MISC PAYMENT	6.25		-998.65
	VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	28.94		-1,027.59
	MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	33.25		-1,060.84
	SERVICE FEES ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	2.36		-1,063.20
	VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	2.28		-1,065.48
	OTHERCARD FEES ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	67.86		-1,133.34
	MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	6.37		-1,139.71
	INTERAC FEES ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 41269287 2393	389.62		-1,529.33
	CHEQUE 41283406 2425	1,568.00		-3,097.33
	CHEQUE 41309824 2339	642.40		-3,739.73
	CHEQUE 41309825 2340	642.40		-4,382.13

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014

Account number: 17-60815

Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 2	Balance forward			-\$4,382.13
	CHEQUE 41331327 2415	216.51		-4,598.64
Jul 3	MISC PAYMENT EF0702 05208244 ROYAL BANK CENTRAL CARD CENTRE		71.67	-4,526.97
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,810.74	-2,716.23
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,812.52	-903.71
	PURCHASE000001001861 SHALLU'S ESSO 4506*****258	50.00		-953.71
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	50.17		-1,003.88
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	48.82		-1,052.70
	CHEQUE 40396693 2407	216.51		-1,269.21
	CHEQUE 40479823 2388	435.68		-1,704.89
	CHEQUE 40479824 2409	555.75		-2,260.64
	CHEQUE 41425428 2272	1,000.00		-3,260.64
	CHEQUE 41425429 2254	1,000.00		-4,260.64
	CHEQUE 41429191 2419	450.00		-4,710.64
	CHEQUE 41429192 2420	300.00		-5,010.64
Jul 4	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		441.92	-4,568.72
	MISC PAYMENT EF0703 05208244 ROYAL BANK CENTRAL CARD CENTRE		172.97	-4,395.75
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,925.97	-2,469.78
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		963.65	-1,506.13
	PURCHASE000001001414 STAPLES # 330 4506*****258	89.42		-1,595.55
	INTERNET BILL PMT000000146209 BELL CANADA BUSINESS INTE 4506*****258	251.79		-1,847.34

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CIBC Account Statement

Jul 1 to Jul 31, 2014

Account number: 17-60815

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 4	Balance forward			-\$1,847.34
	INTERNET BILL PMT000000140576	251.79		-2,099.13
	BELL CANADA BUSINESS INTE 4506*****258			
	MISC PAYMENT Bodkin Leasing	2,597.27		-4,696.40
	INSURANCE 0000000000000000 AVIVA INSURANCE	796.61		-5,493.01
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	55.17		-5,548.18
	MISC PAYMENT VISA FEE 05208244 ROYAL BANK CENTRAL CARD CENTRE	24.41		-5,572.59
	CHEQUE 40197979 2356	303.97		-5,876.56
	CHEQUE 43111924 2400	412.85		-6,289.41
Jul 7	PURCHASE 002034328589 C20343 LESLIE S 4506*****258	40.06		-6,329.47
	MISC PAYMENT EF0704 05208244 ROYAL BANK CENTRAL CARD CENTRE		225.77	-6,103.70
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,531.17	-4,572.53
	MISC PAYMENT VSA DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		515.28	-4,057.25
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		294.73	-3,762.52
	INTERNET BILL PMT000000731166 ROGERS WIRELESS 4506*****258	150.00		-3,912.52
	MISC PAYMENT EF0706 05208244 ROYAL BANK CENTRAL CARD CENTRE		212.44	-3,700.08
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,132.55	-2,567.53
	MISC PAYMENT VSA DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		364.71	-2,202.82

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 Account number: 17-60815
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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 7	Balance forward			-\$2,202.82
	MISC PAYMENT EF0705 05208244 ROYAL BANK CENTRAL CARD CENTRE		291.54	-1,911.28
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		998.02	-913.26
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		2,351.43	1,438.17
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	46.76		1,391.41
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	13.36		1,378.05
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	35.39		1,342.66
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	10.77		1,331.89
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	30.64		1,301.25
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	61.33		1,239.92
	CHEQUE 40440087 2341	642.43		597.49
	CHEQUE 40452785 2217	300.00		297.49
	CHEQUE 40461701 2436	450.00		-152.51
	CHEQUE 41151809 2421	1,201.75		-1,354.26
	CHEQUE 41195104 2433	545.22		-1,899.48
	CHEQUE 41195105 2430	303.38		-2,202.86
	CHEQUE 43225931 2416	389.62		-2,592.48
	CHEQUE 43285287 2432	376.71		-2,969.19
	CHEQUE 43285288 2412	76.13		-3,045.32
Jul 8	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		64.34	-2,980.98
	MISC PAYMENT DSV DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		81.67	-2,899.31

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Jul 1 to Jul 31, 2014

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 8	Balance forward			-\$2,899.31
	MISC PAYMENT EF0707 05208244 ROYAL BANK CENTRAL CARD CENTRE		185.34	-2,713.97
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,542.83	-1,171.14
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		523.75	-647.39
	DEPOSIT 04702 460 UNIVERSITY AVENUE AT DUNDA		1,080.00	432.61
	DEPOSIT 04702 460 UNIVERSITY AVENUE AT DUNDA		1,177.39	1,610.00
	WITHDRAWAL 04702 460 UNIVERSITY AVENUE AT DUNDA	5,007.50		-3,397.50
	TRANSFER 06742 FROM: 03522/17-89910 BAYVIEW AND MAJOR MACKENZIE DR		1,500.00	-1,897.50
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	42.43		-1,939.93
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	14.64		-1,954.57
	CHEQUE 40564298 2427	216.51		-2,171.08
	CHEQUE 40635779 1827	1,780.40		-3,951.48
	CHEQUE 40657047 2431	75.90		-4,027.38
	CHEQUE 40675213 2435	216.51		-4,243.89
	CHEQUE 40692990 2434	333.60		-4,577.49
	CHEQUE 40694270 1318	6,600.00		-11,177.49
	CHEQUE 40695348 2408	334.95		-11,512.44
	CHEQUE 40695349 2428	138.38		-11,650.82
	REVERSAL 40694270		6,600.00	-5,050.82
	NSF CHARGE 03522	45.00		-5,095.82
Jul 9	MISC PAYMENT EF0708 05208244 ROYAL BANK CENTRAL CARD CENTRE		95.00	-5,000.82
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,004.75	-3,996.07
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,184.10	-2,811.97
	STOP PYMT CHARGE	12.50		-2,824.47

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 9	Balance forward			-\$2,824.47
	STOP PYMT CHARGE	12.50		-2,836.97
	DEBIT MEMO	1.75		-2,838.72
	BUS/FARM INSUR. C.I.B.C. BUF			
	MISC PAYMENT MSTCFEE05208244	31.93		-2,870.65
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT VISAFEE05208244	33.35		-2,904.00
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40189694 2357	303.97		-3,207.97
Jul 10	MISC PAYMENT EF0709 05208244		335.21	-2,872.76
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT MC DEP 05208244		2,821.20	-51.56
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT VSA DEP05208244		846.31	794.75
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE000001001969 BAYVIEW & MAJOR 4506*****258	50.12		744.63
	PURCHASE000001001413 COSTCO WHOLESALE 4506*****258	82.25		662.38
	INTERNET BILL PMT000000784091 HOME DEPOT CREDIT SERVICE 4506*****258	100.00		562.38
	INTERNET BILL PMT000000437766 BELL CANADA-BUSINESS/WATT 4506*****258	280.63		281.75
	INTERNET BILL PMT000000440680 ROGERS CABLE 4506*****258	554.20		-272.45
	INTERNET BILL PMT000000443472 ENBRIDGE 4506*****258	1,000.00		-1,272.45
	MISC PAYMENT VISAFEE05208244	23.94		-1,296.39
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT MSTCFEE05208244	94.81		-1,391.20
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 10	Balance forward			-\$1,391.20
	CHEQUE 40320104 2372	1,030.30		-2,421.50
	CHEQUE 40377976 2208	1,000.00		-3,421.50
	CHEQUE 41383777 2401	412.85		-3,834.35
Jul 11	MISC PAYMENT		249.08	-3,585.27
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		832.52	-2,752.75
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE749001001028	67.96		-2,820.71
	SKOR TORONTO LO			
	4506*****258			
	MISC PAYMENT	7.64		-2,828.35
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	28.85		-2,857.20
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40587451 2437	300.00		-3,157.20
	CHEQUE 43131286 2429	584.25		-3,741.45
Jul 14	MISC PAYMENT		205.94	-3,535.51
	EF0711 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		705.25	-2,830.26
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		823.26	-2,007.00
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		926.20	-1,080.80
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	PURCHASE002034320593	50.00		-1,130.80
	C20343 LESLIE S			
	4506*****258			
	DEPOSIT 04502		1,790.00	659.20
	CHURCH AND CARLTON			
	DEPOSIT 04502		10.37	669.57
	CHURCH AND CARLTON			
	WITHDRAWAL 04502	5,007.50		-4,337.93
	CHURCH AND CARLTON			
	MISC PAYMENT		423.75	-3,914.18
	EF0713 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 14	Balance forward			-\$3,914.18
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		689.46	-3,224.72
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		873.22	-2,351.50
	MISC PAYMENT EF0712 05208244 ROYAL BANK CENTRAL CARD CENTRE		285.78	-2,065.72
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		894.88	-1,170.84
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		867.84	-303.00
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	24.34		-327.34
	MISC PAYMENT VISA FEE 05208244 ROYAL BANK CENTRAL CARD CENTRE	27.43		-354.77
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	20.99		-375.76
	MISC PAYMENT VISA FEE 05208244 ROYAL BANK CENTRAL CARD CENTRE	23.41		-399.17
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	24.55		-423.72
	MISC PAYMENT VISA FEE 05208244 ROYAL BANK CENTRAL CARD CENTRE	23.65		-447.37
	CHEQUE 40105621 2440	171.20		-618.57
	CHEQUE 40185971 2451	450.00		-1,068.57
	CHEQUE 42126642 2446	545.22		-1,613.79
	CHEQUE 42133966 2443	400.30		-2,014.09
	CHEQUE 42135260 2444	77.63		-2,091.72
	CHEQUE 43226924 2426	389.62		-2,481.34
Jul 15	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		100.84	-2,380.50

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 15	Balance forward			-\$2,380.50
	MISC PAYMENT		1,728.35	-652.15
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		150.67	-501.48
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT00000924840	1,200.00		-1,701.48
	TORONTO HYDRO ELECTRIC SY 4506*****258			
	DEPOSIT 06742		2,453.15	751.67
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		850.00	1,601.67
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT	53.36		1,548.31
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	2.88		1,545.43
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INSURANCE	53.47		1,491.96
	FORESTERS LIFE INSURANCE COMPA			
	INSURANCE	129.96		1,362.00
	FORESTERS LIFE INSURANCE COMPA			
	RENT/LEASE	2,007.60		-645.60
	L.A.K.E.S. - SECURCOR			
	CHEQUE 40378394 2450	1,000.00		-1,645.60
	CHEQUE 40412521 2445	407.80		-2,053.40
Jul 16	MISC PAYMENT		217.68	-1,835.72
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		191.00	-1,644.72
	EF0715 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,869.61	224.89
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		320.21	545.10
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	STOP PYMT CHARGE	12.50		532.60
	MISC PAYMENT	58.55		474.05
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 16	Balance forward			\$474.05
	MISC PAYMENT	6.37		467.68
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 42202421 2442	441.93		25.75
Jul 17	MISC PAYMENT		48.25	74.00
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		77.97	151.97
	DSV DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		144.64	296.61
	EF0716 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,469.46	1,766.07
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,727.08	3,493.15
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000411950	222.70		3,270.45
	BELL CANADA BUSINESS INTE			
	4506*****258			
	INTERNET BILL PMT000000418449	391.91		2,878.54
	BELL CANADA BUSINESS INTE			
	4506*****258			
	WITHDRAWAL 06742	5,507.50		-2,628.96
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT	48.41		-2,677.37
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	49.77		-2,727.14
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40135463 2402	412.85		-3,139.99
	CHEQUE 40156848 2452	300.00		-3,439.99
	CHEQUE 41539373 2422	1,440.75		-4,880.74
Jul 18	MISC PAYMENT		133.34	-4,747.40
	EF0717 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,146.83	-3,600.57
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 18	Balance forward			-\$3,600.57
	MISC PAYMENT		1,605.75	-1,994.82
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000877159	150.00		-2,144.82
	ROGERS WIRELESS			
	4506*****258			
	PURCHASE002034321837	50.00		-2,194.82
	C20343 LESLIE S			
	4506*****258			
	STOP PYMT CHARGE	20.00		-2,214.82
	MISC PAYMENT	47.05		-2,261.87
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	35.03		-2,296.90
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40305151 2441	506.47		-2,803.37
	CHEQUE 41130196 2358	303.97		-3,107.34
Jul 21	MISC PAYMENT		59.44	-3,047.90
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		809.12	-2,238.78
	EF0718 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,140.20	-98.58
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		854.90	756.32
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		127.50	883.82
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	DEPOSIT 06742		1,560.00	2,443.82
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		538.78	2,982.60
	EF0720 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,161.62	5,144.22
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,855.28	7,999.50
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 21	Balance forward			\$7,999.50
	MISC PAYMENT EF0719 05208244 ROYAL BANK CENTRAL CARD CENTRE		205.77	8,205.27
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		2,248.26	10,453.53
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,298.70	11,752.23
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	67.69		11,684.54
	MISC PAYMENT VISA FEE05208244 ROYAL BANK CENTRAL CARD CENTRE	23.04		11,661.50
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	63.31		11,598.19
	MISC PAYMENT VISA FEE05208244 ROYAL BANK CENTRAL CARD CENTRE	69.96		11,528.23
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	68.25		11,459.98
	MISC PAYMENT VISA FEE05208244 ROYAL BANK CENTRAL CARD CENTRE	35.08		11,424.90
	PRE-AUTH DEBIT BOOKING.COM B.V BUSINESS PAD	4,560.00		6,864.90
	CHEQUE 40414477 2454	216.51		6,648.39
	CHEQUE 40414608 2465	130.38		6,518.01
	CHEQUE 40473979 2463	450.00		6,068.01
	CHEQUE 40505978 2457	80.57		5,987.44
	CHEQUE 41266808 2449	389.62		5,597.82
	CHEQUE 42250812 2373	1,030.30		4,567.52
	CHEQUE 17535976M 2118	3,582.95		984.57
Jul 22	MISC PAYMENT EF0721 05208244 ROYAL BANK CENTRAL CARD CENTRE		570.45	1,555.02
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		2,873.30	4,428.32

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 22	Balance forward			\$4,428.32
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		2,082.96	6,511.28
	DEBIT MEMO 06742 money order BAYVIEW AND MAJOR MACKENZIE DR	2,500.00		4,011.28
	PURCHASE000627690722 WOODBINE CHRYSL 4506*****258	62.00		3,949.28
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	98.73		3,850.55
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	54.68		3,795.87
	CHEQUE 40153173 2456	353.36		3,442.51
	CHEQUE 40183518 2459	708.94		2,733.57
	CHEQUE 41420926 2462	1,000.00		1,733.57
Jul 23	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		161.39	1,894.96
	MISC PAYMENT EF0722 05208244 ROYAL BANK CENTRAL CARD CENTRE		66.67	1,961.63
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,247.85	3,209.48
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		765.43	3,974.91
	PURCHASE002034323296 C20343 LESLIE S 4506*****258	40.18		3,934.73
	INTERNET BILL PMT000000573040 TORONTO (CITY OF) UTILITY 4506*****258	1,000.00		2,934.73
	PURCHASE760001001039 SKOR TORONTO LO 4506*****258	80.18		2,854.55
	PRE-AUTH DEBIT INDCOM BUSINESS PAD	1,563.65		1,290.90
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	38.09		1,252.81

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 23	Balance forward			\$1,252.81
	MISC PAYMENT	18.11		1,234.70
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 41478241 2460	364.97		869.73
	CHEQUE 41478242 2447	383.92		485.81
	CORRECTION 03522		1,563.65	2,049.46
Jul 24	MISC PAYMENT		97.05	2,146.51
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		155.94	2,302.45
	EF0723 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,735.89	4,038.34
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,174.12	5,212.46
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000381980	101.00		5,111.46
	ROGERS WIRELESS			
	4506*****258			
	MISC PAYMENT	51.63		5,059.83
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	38.07		5,021.76
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INSURANCE	518.57		4,503.19
	CORPORATE BENEFIT ANALYSTS INS			
	CHEQUE 40441072 2241	1,000.00		3,503.19
	CHEQUE 41054016 2374	1,030.30		2,472.89
	CHEQUE 43082838 2448	216.51		2,256.38
	CHEQUE 43082839 2461	416.62		1,839.76
Jul 25	MISC PAYMENT		81.67	1,921.43
	EF0724 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,002.07	3,923.50
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		338.18	4,261.68
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 25	Balance forward			\$4,261.68
	INTERNET BILL PMT000000233660 ENBRIDGE 4506*****258	442.54		3,819.14
	PURCHASE157001001025 SKOR TORONTO LO 4506*****258	140.94		3,678.20
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		10.00	3,688.20
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		288.56	3,976.76
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	9.44		3,967.32
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	61.50		3,905.82
	CHEQUE 43222290 2403	412.85		3,492.97
Jul 28	PURCHASE000000352917 PETRO-CANADA 4506*****258	50.02		3,442.95
	MISC PAYMENT EF0725 05208244 ROYAL BANK CENTRAL CARD CENTRE		494.82	3,937.77
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,549.50	5,487.27
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		384.48	5,871.75
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		940.00	6,811.75
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		20.88	6,832.63
	WITHDRAWAL 06742 BAYVIEW AND MAJOR MACKENZIE DR	10,000.00		-3,167.37
	MISC PAYMENT EF0727 05208244 ROYAL BANK CENTRAL CARD CENTRE		81.67	-3,085.70
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,245.48	-1,840.22
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		767.27	-1,072.95

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014

Account number: 17-60815

Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 28	Balance forward			-\$1,072.95
	MISC PAYMENT EF0726 05208244 ROYAL BANK CENTRAL CARD CENTRE		119.27	-953.68
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,225.79	272.11
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		672.25	944.36
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	50.91		893.45
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	10.72		882.73
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	36.85		845.88
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	21.43		824.45
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	33.10		791.35
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	17.36		773.99
	CHEQUE 40191350 2469	416.62		357.37
	CHEQUE 41322427 2467	389.62		-32.25
	CHEQUE 41411433 2480	232.83		-265.08
	CHEQUE 41420779 2423	1,485.63		-1,750.71
	CHEQUE 43411279 2473	384.08		-2,134.79
	CHEQUE 43414544 2472	298.51		-2,433.30
	CHEQUE 43414552 2474	545.22		-2,978.52
	CHEQUE 43414553 2481	190.00		-3,168.52
	CHEQUE 43417217 2458	362.92		-3,531.44
	CHEQUE 43443059 2464	300.00		-3,831.44
Jul 29	MISC PAYMENT EF0728 05208244 ROYAL BANK CENTRAL CARD CENTRE		119.57	-3,711.87
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		2,128.92	-1,582.95

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 29	Balance forward			-\$1,582.95
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,047.11	-535.84
	DEPOSIT 04502 CHURCH AND CARLTON		841.05	305.21
	CORRECTION 04502 CHURCH AND CARLTON	841.05		-535.84
	DEPOSIT 04502 CHURCH AND CARLTON		1,001.05	465.21
	DEBIT MEMO 04502 bank draft # 245628466 CHURCH AND CARLTON	6,007.50		-5,542.29
	INSURANCE INTACT INS. CO.	161.69		-5,703.98
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	63.93		-5,767.91
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	28.97		-5,796.88
	CHEQUE 43561458 2477	450.00		-6,246.88
Jul 30	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		279.27	-5,967.61
	MISC PAYMENT EF0729 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,023.35	-4,944.26
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,701.09	-3,243.17
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		550.02	-2,693.15
	DEPOSIT 04502 CHURCH AND CARLTON		300.28	-2,392.87
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	49.40		-2,442.27
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	14.75		-2,457.02
	CHEQUE 40489085 2439	2,857.00		-5,314.02

(continued on next page)

CIBC Account Statement

Jul 1 to Jul 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Jul 30	Balance forward			-\$5,314.02
Jul 31	MISC PAYMENT EF0730 05208244 ROYAL BANK CENTRAL CARD CENTRE		275.93	-5,038.09
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		1,066.86	-3,971.23
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		692.69	-3,278.54
	PURCHASE000001001416 WAL-MART #3195 4506*****258	82.29		-3,360.83
	MISC PAYMENT VI C81/05208244 ROYAL BANK CENTRAL CARD CENTRE	77.97		-3,438.80
	MISC PAYMENT VISA REA.CODE54 ROYAL BANK CENTRAL CARD CENTRE	208.71		-3,647.51
	MISC PAYMENT VISA CHGBK.FEE ROYAL BANK CENTRAL CARD CENTRE	10.00		-3,657.51
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	35.62		-3,693.13
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	20.73		-3,713.86
	CHEQUE 40133717 2479	1,000.00		-4,713.86
	CHEQUE 41176010 2478	300.00		-5,013.86
	OVERDRAFT INTEREST	21.24		-5,035.10
	LOAN ADMIN FEE	9.50		-5,044.60
	ACCOUNT FEE	50.00		-5,094.60
	PAPER STMNNT FEE	3.00		-5,097.60
	Closing balance			-\$5,097.60

CIBC Account Statement

Jul 1 to Jul 31, 2014

Account number: 17-60815

Branch transit number: 03522

Important: This statement will be considered correct if you do not report errors, omissions or irregularities in entries and balances to CIBC in writing within 30 days from last date of the statement period covered by a previously issued regular statement where such period included the date the entry was, or should have been, posted.

This rule does not apply to improper credits to your account. Your rights under your business account operation agreement to verify and notify CIBC of account errors, omissions or irregularities do not apply to this statement which is for information or replacement purposes only.

***Foreign Currency Conversion Fee:**

If you withdraw foreign currency from a bank machine located outside Canada, you are charged the same conversion rate CIBC is required to pay plus an administration fee, which is disclosed in the CIBC's current *Business Account Service Fees* brochure, a copy of which is available at any CIBC branch in Canada (this is in addition to any transaction fee applicable to the withdrawal and the network fee).

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CIBC Account Statement

PEMBROKE RESIDENCE LTD.

For Aug 1 to Aug 31, 2014

Account number
17-60815

Branch transit number
03522

The names shown are based on our current records, as of December 12, 2014. This statement does not reflect any changes in account holders and account holder names that may have occurred prior to this date.

Account summary

Opening balance on Aug 1, 2014		-	\$5,097.60
Withdrawals	-		129,079.15
Deposits	+		133,300.86
Closing balance on Aug 31, 2014	=		-\$875.89

Contact information

1 800 465 CIBC (2422)

Contact us by phone for questions on this update, change of personal information, and general inquiries, 24 hours a day, 7 days a week.

TTY hearing impaired

1 800 465 7401

Outside Canada and the U.S.

1 902 420 CIBC (2422)

www.cibc.com

Transaction details

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 1	Opening balance			-\$5,097.60
Aug 1	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		113.94	-4,983.66
	PURCHASE002034326099 C20343 LESLIE S 4506*****258	40.10		-5,023.76
	MISC PAYMENT EF0731 05208244 ROYAL BANK CENTRAL CARD CENTRE		159.95	-4,863.81
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		851.69	-4,012.12
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,071.80	-2,940.32

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CIBC Account Statement

Aug 1 to Aug 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 1	Balance forward			-\$2,940.32
	MISC PAYMENT	3.11		-2,943.43
	DSV FEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	5.88		-2,949.31
	INTERAC FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	27.05		-2,976.36
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	2.52		-2,978.88
	OTHERCARD FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	28.34		-3,007.22
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	33.25		-3,040.47
	SERVICE FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	INSURANCE	192.29		-3,232.76
	FORESTERS LIFE INSURANCE COMPA			
	PRE-AUTH DEBIT	1,491.06		-4,723.82
	Lease Payment BUSINESS PAD			
	CHEQUE 41271967 2471	381.41		-5,105.23
	CHEQUE 41329875 2404	412.87		-5,518.10
	CHEQUE 41399540 2466	287.70		-5,805.80
	CHEQUE 43315383 2455	231.75		-6,037.55
	CORRECTION 03522		1,491.06	-4,546.49
Aug 5	MISC PAYMENT		672.68	-3,873.81
	EF0801 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,762.13	-1,111.68
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		3,093.66	1,981.98
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		457.53	2,439.51
	EF0803 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,132.51	4,572.02
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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CIBC Account Statement

Aug 1 to Aug 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 5	Balance forward			\$4,572.02
	MISC PAYMENT		2,026.63	6,598.65
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,159.42	8,758.07
	EF0802 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		3,454.75	12,212.82
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,700.70	14,913.52
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		193.01	15,106.53
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		111.87	15,218.40
	EF0804 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,821.32	17,039.72
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,331.91	18,371.63
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	WITHDRAWAL 06742	1,881.43		16,490.20
	BAYVIEW AND MAJOR MACKENZIE DR			
	INSURANCE	796.61		15,693.59
	0000000000000000			
	AVIVA INSURANCE			
	MISC PAYMENT	82.25		15,611.34
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	79.46		15,531.88
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	64.60		15,467.28
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	59.17		15,408.11
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	97.66		15,310.45
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Aug 1 to Aug 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 5	Balance forward			\$15,310.45
	MISC PAYMENT	79.71		15,230.74
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000221239	157.17		15,073.57
	BELL CANADA-BUSINESS/WATT			
	4506*****258			
	INTERNET BILL PMT000000227006	500.00		14,573.57
	ENBRIDGE			
	4506*****258			
	CORRECTION000000227006		500.00	15,073.57
	ENBRIDGE			
	4506*****258			
	INTERNET BILL PMT000000225156	250.00		14,823.57
	WSIB ONTARIO SCHEDULE 1			
	4506*****258			
	INTERNET BILL PMT00000022354	792.46		14,031.11
	TORONTO HYDRO ELECTRIC SY			
	4506*****258			
	CORRECTION000000225156		250.00	14,281.11
	WSIB ONTARIO SCHEDULE 1			
	4506*****258			
	INTERNET BILL PMT000000274713	500.00		13,781.11
	ENBRIDGE			
	4506*****258			
	INTERNET BILL PMT000000284082	250.00		13,531.11
	WSIB ONTARIO SCHEDULE 1			
	4506*****258			
	DEPOSIT 04502		6,524.68	20,055.79
	CHURCH AND CARLTON			
	WITHDRAWAL 04502	9,350.00		10,705.79
	CHURCH AND CARLTON			
	INTERNET BILL PMT000000497211	100.00		10,605.79
	HOME DEPOT CREDIT SERVICE			
	4506*****258			
	INTERNET BILL PMT000000602819	100.03		10,505.76
	ROGERS WIRELESS			
	4506*****258			
	PURCHASE844001001022	285.95		10,219.81
	SKOR TORONTO LO			
	4506*****258			
	MISC PAYMENT	65.22		10,154.59
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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CIBC Account Statement

Aug 1 to Aug 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 5	Balance forward			\$10,154.59
	MISC PAYMENT	34.25		10,120.34
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40434959 2497	2,000.00		8,120.34
	CHEQUE 40549251 2218	300.00		7,820.34
	CHEQUE 40600562 2491	412.35		7,407.99
	CHEQUE 40603497 2493	450.00		6,957.99
	CHEQUE 41532717 2476	389.62		6,568.37
	CHEQUE 41589032 2488	440.64		6,127.73
	CHEQUE 41589086 2484	545.22		5,582.51
	CHEQUE 43520811 2483	343.74		5,238.77
	CHEQUE 43568345 2495	395.50		4,843.27
	CHEQUE 43590957 2485	416.62		4,426.65
	CHEQUE 43603925 2475	416.62		4,010.03
	CHEQUE 43606821 2487	402.39		3,607.64
Aug 6	MISC PAYMENT		320.21	3,927.85
	EF0805 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,695.06	5,622.91
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,800.25	8,423.16
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000046354	259.60		8,163.56
	BELL CANADA BUSINESS INTE 4506*****258			
	INTERNET BILL PMT000000043736	259.60		7,903.96
	BELL CANADA BUSINESS INTE 4506*****258			
	PURCHASE000001001961	50.00		7,853.96
	BAYVIEW & MAJOR 4506*****258			
	PURCHASE000001001145	134.42		7,719.54
	WAL-MART #3195 4506*****258			
	MISC PAYMENT	48.63		7,670.91
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	85.09		7,585.82
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40170434 2424	1,440.75		6,145.07
	CHEQUE 41039701 2470	115.25		6,029.82

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CIBC Account Statement

Aug 1 to Aug 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 6	Balance forward			\$6,029.82
	CHEQUE 43111424 2375	1,030.30		4,999.52
	CHEQUE 43111425 2376	1,030.29		3,969.23
	CHEQUE 43124067 2453	1,583.33		2,385.90
	CHEQUE 43124068 2490	1,000.00		1,385.90
Aug 7	MISC PAYMENT EF0806 05208244 ROYAL BANK CENTRAL CARD CENTRE		248.91	1,634.81
	MISC PAYMENT MC DEP 05208244 ROYAL BANK CENTRAL CARD CENTRE		801.16	2,435.97
	MISC PAYMENT VSA DEP05208244 ROYAL BANK CENTRAL CARD CENTRE		1,885.18	4,321.15
	INTERNET BILL PMT000000753665 BELL CANADA-BUSINESS/WATT 4506*****258	322.72		3,998.43
	INTERNET BILL PMT000000404887 HOME DEPOT CREDIT SERVICE 4506*****258	200.00		3,798.43
	INTERNET BILL PMT000000003853 ROGERS CABLE 4506*****258	551.83		3,246.60
	MERCHANDISE RETURN000001001830 WAL-MART #1150 4506*****258		79.05	3,325.65
	PURCHASE000001001943 WAL-MART #1150 4506*****258	52.66		3,272.99
	PURCHASE000001043027 PAUL WOLF ELECT 4506*****258	29.27		3,243.72
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		86.15	3,329.87
	MISC PAYMENT VISAFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	56.31		3,273.56
	MISC PAYMENT MSTCFEE05208244 ROYAL BANK CENTRAL CARD CENTRE	27.37		3,246.19
Aug 8	MISC PAYMENT EF0807 05208244 ROYAL BANK CENTRAL CARD CENTRE		193.17	3,439.36

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 8	Balance forward			\$3,439.36
	MISC PAYMENT		3,059.61	6,498.97
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		921.75	7,420.72
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000715255	1,000.00		6,420.72
	TORONTO (CITY OF) UTILITY			
	4506*****258			
	PURCHASE000001001550	94.90		6,325.82
	WAL-MART #3195			
	4506*****258			
	DEBIT MEMO	2.44		6,323.38
	BUS/FARM INSUR.			
	C.I.B.C. BUF			
	INSURANCE	889.00		5,434.38
	CAFO INC			
	CAFO Inc			
	MISC PAYMENT	89.45		5,344.93
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	24.87		5,320.06
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 41235529 2468	248.70		5,071.36
	CHEQUE 41337369 2494	300.00		4,771.36
Aug 11	PURCHASE000469950809	448.35		4,323.01
	WOODBINE CHRYSL			
	4506*****258			
	MISC PAYMENT		1,551.75	5,874.76
	EF0808 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,761.29	7,636.05
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,586.90	10,222.95
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		86.15	10,309.10
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		287.31	10,596.41
	EF0810 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 11	Balance forward			\$10,596.41
	MISC PAYMENT		3,201.79	13,798.20
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		327.81	14,126.01
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		500.00	14,626.01
	EF0809 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		3,260.87	17,886.88
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,734.05	19,620.93
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		215.91	19,836.84
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT	55.88		19,780.96
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	71.67		19,709.29
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	98.90		19,610.39
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	8.89		19,601.50
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	96.52		19,504.98
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	46.29		19,458.69
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 43472216 2523	148.50		19,310.19
	CHEQUE 43472217 2509	216.51		19,093.68
	CHEQUE 40139634 2492	389.62		18,704.06
	CHEQUE 41464369 2496	395.50		18,308.56
	CHEQUE 41465413 2486	470.45		17,838.11
	CHEQUE 41465807 2511	368.25		17,469.86
	CHEQUE 41500967 2510	416.62		17,053.24
	CHEQUE 42383063 2518	450.00		16,603.24

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 11	Balance forward			\$16,603.24
	CHEQUE 42393612 2512	355.56		16,247.68
	CHEQUE 42396397 2514	545.22		15,702.46
	CHEQUE 43556150 2499	325.80		15,376.66
	CHEQUE 43579076 2500	314.05		15,062.61
	CHEQUE 43591710 2517	1,000.00		14,062.61
Aug 12	MISC PAYMENT		100.00	14,162.61
	EF0811 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		482.94	14,645.55
	MC DEP 05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		89.27	14,734.82
	VSA DEP05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		424.57	15,159.39
	EF0811 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,205.58	16,364.97
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		661.36	17,026.33
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE002034329215	50.00		16,976.33
	C20343 LESLIE S			
	4506*****258			
	WITHDRAWAL 06742	9,350.00		7,626.33
	BAYVIEW AND MAJOR MACKENZIE DR			
	INTERNET BILL PMT000000134009	1,000.00		6,626.33
	TORONTO (CITY OF) UTILITY			
	4506*****258			
	INTERNET BILL PMT000000129304	1,000.00		5,626.33
	TORONTO HYDRO ELECTRIC SY			
	4506*****258			
	INTERNET BILL PMT000000130200	500.00		5,126.33
	WSIB ONTARIO SCHEDULE 1			
	4506*****258			
	PURCHASE000001001509	212.44		4,913.89
	WAL-MART #1150			
	4506*****258			
	DEPOSIT 06742		3,920.88	8,834.77
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		232.30	9,067.07
	BAYVIEW AND MAJOR MACKENZIE DR			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 12	Balance forward			\$9,067.07
	MISC PAYMENT		193.10	9,260.17
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT	16.15		9,244.02
	MSTCFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	3.25		9,240.77
	VISAFEE05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40301018 2521	1,645.46		7,595.31
	CHEQUE 43046751 2529	2,000.00		5,595.31
	CHEQUE 43113112 2489	285.02		5,310.29
Aug 13	MISC PAYMENT		395.68	5,705.97
	EF0812 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,391.02	7,096.99
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,081.37	8,178.36
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000214226	500.00		7,678.36
	ENBRIDGE			
	4506*****258			
	INTERNET BILL PMT000000351758	124.65		7,553.71
	BELL CANADA-BUSINESS/WATT			
	4506*****258			
	STOP PYMT CHARGE	12.50		7,541.21
	STOP PYMT CHARGE	12.50		7,528.71
	CHEQUE 43245187 2513	361.74		7,166.97
Aug 14	MISC PAYMENT		471.08	7,638.05
	EF0813 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,016.00	8,654.05
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		820.63	9,474.68
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	PRE-AUTH DEBIT	188.36		9,286.32
	D+H -CHEQUE ORDER			
	CHEQUE 40536646 2522	275.28		9,011.04
	CHEQUE 40536647 2520	275.28		8,735.76
	CHEQUE 40554615 2519	300.00		8,435.76

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 14	Balance forward			\$8,435.76
	CHEQUE 43346590 2498	1,258.93		7,176.83
Aug 15	MISC PAYMENT EF0814 07342181 ROYAL BANK CENTRAL CARD CENTRE		256.51	7,433.34
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		390.11	7,823.45
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,334.82	9,158.27
	PURCHASE174001001016 SKOR TORONTO LO 4506*****258	33.99		9,124.28
	INSURANCE FORESTERS LIFE INSURANCE COMPA	53.47		9,070.81
	INSURANCE FORESTERS LIFE INSURANCE COMPA	129.96		8,940.85
	RENT/LEASE L.A.K.E.S. - SECURCOR	1,985.00		6,955.85
	CORRECTION 03522		1,985.00	8,940.85
Aug 18	PURCHASE002034320791 C20343 LESLIE S 4506*****258	50.00		8,890.85
	MISC PAYMENT EF0815 07342181 ROYAL BANK CENTRAL CARD CENTRE		256.54	9,147.39
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		514.71	9,662.10
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,300.62	10,962.72
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		3,400.00	14,362.72
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		631.50	14,994.22
	MISC PAYMENT EF0817 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,325.84	16,320.06
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,890.25	18,210.31

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 18	Balance forward			\$18,210.31
	MISC PAYMENT		1,161.24	19,371.55
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		442.88	19,814.43
	EF0816 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,736.97	21,551.40
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,110.65	23,662.05
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	112.04		23,550.01
	VISA REA.CODE59			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40322312 2537	416.62		23,133.39
	CHEQUE 40322313 2515	416.62		22,716.77
	CHEQUE 40370022 2534	328.33		22,388.44
	CHEQUE 41431921 2540	1,000.00		21,388.44
	CHEQUE 41443930 2532	416.62		20,971.82
	CHEQUE 41463572 2536	545.22		20,426.60
	CHEQUE 43123295 2531	216.51		20,210.09
	CHEQUE 43123296 2543	331.83		19,878.26
Aug 19	MISC PAYMENT		621.71	20,499.97
	EF0818 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,534.58	23,034.55
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		224.77	23,259.32
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000721901	110.64		23,148.68
	BELL CANADA BUSINESS INTE 4506*****258			
	INTERNET BILL PMT000000726433	185.78		22,962.90
	BELL CANADA BUSINESS INTE 4506*****258			
	INTERNET BILL PMT000000750759	400.00		22,562.90
	HOME DEPOT CREDIT SERVICE 4506*****258			
	WITHDRAWAL 06742	9,507.50		13,055.40
	BAYVIEW AND MAJOR MACKENZIE DR			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 19	Balance forward			\$13,055.40
	MISC PAYMENT	17.31		13,038.09
	VISA REA.CODE56			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40526832 2541	450.00		12,588.09
Aug 20	MISC PAYMENT		522.45	13,110.54
	EF0819 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		681.10	13,791.64
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		462.65	14,254.29
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE342001001006	30.00		14,224.29
	WESTON BAKERIES			
	4506*****258			
	PURCHASE328002002056	50.00		14,174.29
	CANADIAN PETROL			
	4506*****258			
	PRE-AUTH DEBIT	4,066.80		10,107.49
	BOOKING.COM B.V BUSINESS PAD			
	CHEQUE 40131051 2535	321.91		9,785.58
	CHEQUE 40138548 2538	416.62		9,368.96
	CHEQUE 41063196 2533	447.76		8,921.20
	CHEQUE 41093439 2547	1,540.42		7,380.78
	CHEQUE 41093440 2546	1,440.75		5,940.03
	CHEQUE 12279175M 2119	3,582.95		2,357.08
Aug 21	MISC PAYMENT		901.96	3,259.04
	EF0820 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,566.33	4,825.37
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,081.66	5,907.03
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40269165 2530	352.35		5,554.68
	CHEQUE 42496089 2501	1,258.93		4,295.75
	CHEQUE 43508486 2548	209.84		4,085.91
Aug 22	MISC PAYMENT		149.27	4,235.18
	EF0821 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 22	Balance forward			\$4,235.18
	MISC PAYMENT		2,049.46	6,284.64
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		818.02	7,102.66
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40466810 2542	300.00		6,802.66
Aug 25	PURCHASE000001001563	14.85		6,787.81
	WAL-MART #3195			
	4506*****258			
	MISC PAYMENT		659.84	7,447.65
	EF0822 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,722.06	9,169.71
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		691.95	9,861.66
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		863.17	10,724.83
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		112.27	10,837.10
	EF0824 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,907.87	12,744.97
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,603.88	14,348.85
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		247.84	14,596.69
	EF0823 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,379.75	15,976.44
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,210.59	18,187.03
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		302.05	18,489.08
	AMEX 9302783064			
	AMEX BANK OF CANADA			

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 25	Balance forward			\$18,489.08
	PRE-AUTH DEBIT	1,563.65		16,925.43
	INDCOM BUSINESS PAD			
	CHEQUE 40608018 2575	3,857.00		13,068.43
	CHEQUE 40637984 2516	389.62		12,678.81
	CHEQUE 40637985 2539	389.62		12,289.19
	CHEQUE 40710488 2572	450.00		11,839.19
	CHEQUE 43227780 2565	272.00		11,567.19
	CHEQUE 43262160 2567	545.22		11,021.97
Aug 26	WITHDRAWAL 06742	9,350.00		1,671.97
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		250.00	1,921.97
	EF0825 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,198.34	3,120.31
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		981.23	4,101.54
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INSURANCE	518.57		3,582.97
	CORPORATE BENEFIT ANALYSTS INS			
	CHEQUE 40101146 2574	393.25		3,189.72
	CHEQUE 40101286 2563	216.51		2,973.21
	CHEQUE 42048840 2562	416.62		2,556.59
Aug 27	MISC PAYMENT		60.00	2,616.59
	EF0826 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,297.59	3,914.18
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		267.81	4,181.99
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	DEPOSIT 06742		3,500.00	7,681.99
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		442.34	8,124.33
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		488.44	8,612.77
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 41422605 2566	337.69		8,275.08
	CHEQUE 41443721 2571	1,000.00		7,275.08

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Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 27	Balance forward			\$7,275.08
Aug 28	MISC PAYMENT EF0827 07342181 ROYAL BANK CENTRAL CARD CENTRE		620.57	7,895.65
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		961.44	8,857.09
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		565.65	9,422.74
	PURCHASE791001001016 SKOR TORONTO LO 4506*****258	261.82		9,160.92
	INTERNET BILL PMT00000092761 WSIB ONTARIO SCHEDULE 1 4506*****258	364.51		8,796.41
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		136.10	8,932.51
	CHEQUE 40399059 2591	3,000.00		5,932.51
	CHEQUE 40411105 2569	416.62		5,515.89
	CHEQUE 43481588 2544	395.50		5,120.39
	CHEQUE 43481589 2545	395.50		4,724.89
	CHEQUE 43496875 2502	1,258.93		3,465.96
	CHEQUE 43537583 2568	378.04		3,087.92
Aug 29	MISC PAYMENT EF0828 07342181 ROYAL BANK CENTRAL CARD CENTRE		2,273.21	5,361.13
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,568.60	6,929.73
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		2,665.32	9,595.05
	PURCHASE000001001420 KEELE AND LANGS 4506*****258	51.01		9,544.04
	WITHDRAWAL 06742 BAYVIEW AND MAJOR MACKENZIE DR	9,350.00		194.04
	INSURANCE INTACT INS. CO.	161.69		32.35
	CHEQUE 43057666 2580	545.22		-512.87
	CHEQUE 43096150 2564	288.13		-801.00
	OVERDRAFT INTEREST	4.51		-805.51
	LOAN ADMIN FEE	9.50		-815.01

(continued on next page)

CIBC Account Statement

Aug 1 to Aug 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Aug 29	Balance forward			-815.01
	DEPOSIT NOTE FEE 3,505. AT 2.25/1,000.	7.88		-822.89
	ACCOUNT FEE	50.00		-872.89
	PAPER STMNT FEE	3.00		-875.89
	Closing balance			-\$875.89

Important: This statement will be considered correct if you do not report errors, omissions or irregularities in entries and balances to CIBC in writing within 30 days from last date of the statement period covered by a previously issued regular statement where such period included the date the entry was, or should have been, posted.

This rule does not apply to improper credits to your account. Your rights under your business account operation agreement to verify and notify CIBC of account errors, omissions or irregularities do not apply to this statement which is for information or replacement purposes only.

***Foreign Currency Conversion Fee:**

If you withdraw foreign currency from a bank machine located outside Canada, you are charged the same conversion rate CIBC is required to pay plus an administration fee, which is disclosed in the CIBC's current *Business Account Service Fees* brochure, a copy of which is available at any CIBC branch in Canada (this is in addition to any transaction fee applicable to the withdrawal and the network fee).

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CIBC Account Statement

PEMBROKE RESIDENCE LTD.

For Oct 1 to Oct 31, 2014

Account number
17-60815

Branch transit number
03522

The names shown are based on our current records, as of November 19, 2014. This statement does not reflect any changes in account holders and account holder names that may have occurred prior to this date.

Account summary

Opening balance on Oct 1, 2014		-\$5,708.62
Withdrawals	-	60,557.03
Deposits	+	89,780.69
Closing balance on Oct 31, 2014	=	\$23,515.04

Contact information

☎ 1 800 465 CIBC (2422)

Contact us by phone for questions on this update, change of personal information, and general inquiries, 24 hours a day, 7 days a week.

TTY hearing impaired

1 800 465 7401

Outside Canada and the U.S.

1 902 420 CIBC (2422)

🌐 www.cibc.com

Transaction details

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 1	Opening balance			-\$5,708.62
Oct 1	MISC PAYMENT EF0930 07342181 ROYAL BANK CENTRAL CARD CENTRE		159.94	-5,548.68
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		759.44	-4,789.24
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		3,234.52	-1,554.72
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		128.38	-1,426.34
	MISC PAYMENT MIN MDR FEE ROYAL BANK CENTRAL CARD CENTRE	20.00		-1,446.34

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 1	Balance forward			-\$1,446.34
	MISC PAYMENT	33.25		-1,479.59
	SERVICE FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	1.98		-1,481.57
	DSV FEE07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	7.79		-1,489.36
	INTERAC FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	1,027.46		-2,516.82
	MSTCFEE07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	3.04		-2,519.86
	OTHERCARD FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	733.03		-3,252.89
	VISAFEE07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	33.25		-3,286.14
	SERVICE FEES			
	ROYAL BANK CENTRAL CARD CENTRE			
	INSURANCE	192.29		-3,478.43
	FORESTERS LIFE INSURANCE COMPA			
	PRE-AUTH DEBIT	1,491.06		-4,969.49
	Lease Payment BUSINESS PAD			
Oct 2	MISC PAYMENT		466.34	-4,503.15
	EF1001 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		169.27	-4,333.88
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		11.30	-4,322.58
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	STOP PYMT CHARGE	20.00		-4,342.58
	DEPOSIT 04502		903.85	-3,438.73
	CHURCH AND CARLTON			
	CHEQUE 28408577 2507	1,120.70		-4,559.43
	CHEQUE 34455869 2653	621.50		-5,180.93
Oct 3	MISC PAYMENT		711.88	-4,469.05
	EF1002 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 3	Balance forward			-\$4,469.05
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,251.28	-3,217.77
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		478.35	-2,739.42
	PURCHASE002034324524 C20343 LESLIE S 4506*****258	50.00		-2,789.42
	INTERNET BILL PMT000000305160 BELL CANADA BUSINESS INTE 4506*****258	256.39		-3,045.81
	INTERNET BILL PMT000000302309 BELL CANADA BUSINESS INTE 4506*****258	256.39		-3,302.20
	INTERNET BILL PMT000000299482 ENBRIDGE 4506*****258	527.52		-3,829.72
	CHEQUE 27132352 2528	623.47		-4,453.19
	CHEQUE 27174022 2658	545.22		-4,998.41
Oct 6	MISC PAYMENT EF1003 07342181 ROYAL BANK CENTRAL CARD CENTRE		590.98	-4,407.43
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,762.55	-2,644.88
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		746.71	-1,898.17
	PURCHASE825001001043 SKOR TORONTO LO 4506*****258	221.91		-2,120.08
	MISC PAYMENT EF1005 07342181 ROYAL BANK CENTRAL CARD CENTRE		77.97	-2,042.11
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,113.46	-928.65
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		496.35	-432.30
	MISC PAYMENT EF1004 07342181 ROYAL BANK CENTRAL CARD CENTRE		402.28	-30.02

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 6	Balance forward			-\$30.02
	MISC PAYMENT		987.59	957.57
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,063.64	2,021.21
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		336.86	2,358.07
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 32118225 2654	171.20		2,186.87
	INSURANCE	796.61		1,390.26
	0000000000000000			
	AVIVA INSURANCE			
	CHEQUE 33003907 2633	1,000.00		390.26
	CHEQUE 35590065 2640	410.22		-19.96
Oct 7	MISC PAYMENT		412.45	392.49
	EF1006 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,316.21	1,708.70
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,484.45	3,193.15
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000755020	100.00		3,093.15
	HOME DEPOT CREDIT SERVICE			
	4506*****258			
	INTERNET BILL PMT000000752219	103.10		2,990.05
	ROGERS WIRELESS			
	4506*****258			
	PURCHASE002034325648	50.00		2,940.05
	C20343 LESLIE S			
	4506*****258			
	DEPOSIT 06742		1,957.98	4,898.03
	BAYVIEW AND MAJOR MACKENZIE DR			
	WITHDRAWAL 06742	7,007.50		-2,109.47
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		118.86	-1,990.61
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 27448309 2645	416.62		-2,407.23
	CHEQUE 28427132 2662	411.66		-2,818.89
	CHEQUE 28445435 2657	215.12		-3,034.01
	CHEQUE 29200491 2656	283.33		-3,317.34

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 7	Balance forward			-\$3,317.34
Oct 8	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		750.09	-2,567.25
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,995.29	-571.96
	INTERNET BILL PMT000000458107 BELL CANADA-BUSINESS/WATT 4506*****258	379.25		-951.21
	INTERNET BILL PMT000000455225 ROGERS CABLE 4506*****258	551.44		-1,502.65
	PURCHASE000363931008 WOODBINE CHRYSL 4506*****258	73.29		-1,575.94
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		726.94	-849.00
	CHEQUE 28501895 2637	649.19		-1,498.19
	DEBIT MEMO BUS/FARM INSUR. C.I.B.C. BUF	0.32		-1,498.51
	CHEQUE 34229021 2663	450.00		-1,948.51
	CHEQUE 34229024 2664	300.00		-2,248.51
Oct 9	MISC PAYMENT EF1008 07342181 ROYAL BANK CENTRAL CARD CENTRE		400.00	-1,848.51
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		294.26	-1,554.25
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,069.60	-484.65
	INTERNET BILL PMT000000889968 TORONTO HYDRO ELECTRIC SY 4506*****258	1,063.51		-1,548.16
	INTERNET BILL PMT000000152184 BELL CANADA-BUSINESS/WATT 4506*****258	90.76		-1,638.92
	WITHDRAWAL 04502 CHURCH AND CARLTON	1,000.00		-2,638.92
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		698.98	-1,939.94

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 9	Balance forward			-\$1,939.94
	CHEQUE 28157960 2677	545.22		-2,485.16
	CHEQUE 31360196 2661	195.49		-2,680.65
	CHEQUE 36329593 2508	1,120.68		-3,801.33
Oct 10	MISC PAYMENT EF1009 07342181 ROYAL BANK CENTRAL CARD CENTRE		490.42	-3,310.91
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		887.62	-2,423.29
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,440.52	-982.77
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		442.74	-540.03
	WITHDRAWAL 06742 BAYVIEW AND MAJOR MACKENZIE DR	4,007.50		-4,547.53
Oct 14	PURCHASE000001001904 ELGIN ESSO 4506*****258	50.00		-4,597.53
	PURCHASE000001003047 COSTCO WHOLESALE 4506*****258	62.15		-4,659.68
	PURCHASE000001001469 COSTCO WHOLESALE 4506*****258	13.96		-4,673.64
	MISC PAYMENT EF1010 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,054.40	-3,619.24
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,123.28	-2,495.96
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		2,227.77	-268.19
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		388.20	120.01
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		72.79	192.80
	INTERNET BILL PMT000000349376 TORONTO HYDRO ELECTRIC SY 4506*****258	1,000.00		-807.20

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CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 14	Balance forward			-\$807.20
	PURCHASE000001001851	58.38		-865.58
	COSTCO WHOLESAL 4506*****258			
	MISC PAYMENT EF1013 07342181 ROYAL BANK CENTRAL CARD CENTRE		10.00	-855.58
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		288.06	-567.52
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		233.91	-333.61
	MISC PAYMENT EF1012 07342181 ROYAL BANK CENTRAL CARD CENTRE		468.02	134.41
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		683.36	817.77
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,060.64	1,878.41
	MISC PAYMENT EF1011 07342181 ROYAL BANK CENTRAL CARD CENTRE		857.16	2,735.57
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		369.31	3,104.88
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		157.47	3,262.35
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		2.89	3,265.24
	CHEQUE 35360940 2687	171.20		3,094.04
	CHEQUE 26491389 2660	404.26		2,689.78
	CHEQUE 27565861 2679	370.21		2,319.57
	CHEQUE 28543976 2684	450.00		1,869.57
	CHEQUE 28543979 2685	300.00		1,569.57
	CHEQUE 35428392 2686	395.50		1,174.07
	CHEQUE 35428398 2665	395.50		778.57
	CHEQUE 35461554 2683	1,000.00		-221.43
Oct 15	MISC PAYMENT EF1014 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,211.15	989.72

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 15	Balance forward			\$989.72
	MISC PAYMENT		489.97	1,479.69
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		871.36	2,351.05
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	DEPOSIT 06742		3,134.25	5,485.30
	BAYVIEW AND MAJOR MACKENZIE DR			
	PURCHASE224001001020	152.55		5,332.75
	SKOR TORONTO LO			
	4506*****258			
	RENT/LEASE	1,996.30		3,336.45
	L.A.K.E.S - SECURCOR			
	CORRECTION 03522		1,996.30	5,332.75
Oct 16	MISC PAYMENT		66.67	5,399.42
	EF1015 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		786.75	6,186.17
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		505.16	6,691.33
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000728152	110.67		6,580.66
	BELL CANADA BUSINESS INTE			
	4506*****258			
	INTERNET BILL PMT000000720820	87.01		6,493.65
	BELL CANADA BUSINESS INTE			
	4506*****258			
	INTERNET BILL PMT000000726292	55.54		6,438.11
	BELL CANADA-BUSINESS/WATT			
	4506*****258			
	DEPOSIT 06742		1,200.00	7,638.11
	BAYVIEW AND MAJOR MACKENZIE DR			
	WITHDRAWAL 06742	7,000.00		638.11
	BAYVIEW AND MAJOR MACKENZIE DR			
	CHEQUE 27344119 2655	391.13		246.98
	CHEQUE 27344122 2675	366.29		-119.31
	CHEQUE 27355228 2696	545.22		-664.53
	CHEQUE 28168745 2680	389.16		-1,053.69
Oct 17	MISC PAYMENT		754.31	-299.38
	EF1016 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 17	Balance forward			-\$299.38
	MISC PAYMENT		1,286.75	987.37
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,077.00	2,064.37
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	WITHDRAWAL 06742	5,000.00		-2,935.63
	BAYVIEW AND MAJOR MACKENZIE DR			
	PURCHASE000232727109	60.03		-2,995.66
	C02327 1707381			
	4506*****258			
	MISC PAYMENT		388.20	-2,607.46
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 26365836 2666	1,592.86		-4,200.32
	CHEQUE 36125560 2676	155.74		-4,356.06
	CHEQUE 36146764 2711	226.00		-4,582.06
Oct 20	MISC PAYMENT		263.57	-4,318.49
	EF1017 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,318.11	-3,000.38
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		746.42	-2,253.96
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		84.97	-2,168.99
	EF1019 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		454.82	-1,714.17
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		736.76	-977.41
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		191.47	-785.94
	EF1018 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		619.42	-166.52
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		384.59	218.07
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

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CIBC Account Statement

Oct 1 to Oct 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 20	Balance forward			\$218.07
	MISC PAYMENT		298.74	516.81
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	PRE-AUTH DEBIT	6,001.05		-5,484.24
	BOOKING.COM B.V BUSINESS PAD			
	CHEQUE 29586480 2678	297.48		-5,781.72
	CHEQUE 29586483 2659	355.43		-6,137.15
	CHEQUE 29586486 2630	216.51		-6,353.66
	CHEQUE 29586489 2643	216.51		-6,570.17
	CHEQUE 30103306 2712	1,412.50		-7,982.67
	REVERSAL 30103306		1,412.50	-6,570.17
	OVERDRAFT INTEREST	16.29		-6,586.46
	LOAN ADMIN FEE	9.50		-6,595.96
Oct 21	MISC PAYMENT		2,094.23	-4,501.73
	EF1020 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,131.74	-3,369.99
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		523.43	-2,846.56
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	DEPOSIT 04502		1,300.00	-1,546.56
	CHURCH AND CARLTON			
	MISC PAYMENT		91.14	-1,455.42
	AMEX 9302783064			
	AMEX BANK OF CANADA			
Oct 22	MISC PAYMENT		375.62	-1,079.80
	EF1021 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,591.12	511.32
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,313.21	1,824.53
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		75.24	1,899.77
	AMEX 9302783064			
	AMEX BANK OF CANADA			
Oct 23	MISC PAYMENT		405.98	2,305.75
	EF1022 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 23	Balance forward			\$2,305.75
	MISC PAYMENT		1,274.58	3,580.33
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		565.92	4,146.25
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
Oct 24	MISC PAYMENT		2.00	4,148.25
	EF1023 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,006.36	6,154.61
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		4.00	6,158.61
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
Oct 27	MISC PAYMENT		621.57	6,780.18
	EF1024 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		745.14	7,525.32
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,083.98	8,609.30
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		545.30	9,154.60
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		18.00	9,172.60
	EF1026 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		276.85	9,449.45
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		3,977.37	13,426.82
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		130.57	13,557.39
	EF1025 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,515.12	15,072.51
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
Account number: 17-60815
Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 27	Balance forward			\$15,072.51
	MISC PAYMENT		548.05	15,620.56
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		86.15	15,706.71
	AMEX 9302783064			
	AMEX BANK OF CANADA			
Oct 28	MISC PAYMENT		501.88	16,208.59
	EF1027 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		541.50	16,750.09
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		71.42	16,821.51
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
Oct 29	MISC PAYMENT		362.81	17,184.32
	EF1028 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		118.76	17,303.08
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,011.89	18,314.97
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		129.21	18,444.18
	AMEX 9302783064			
	AMEX BANK OF CANADA			
Oct 30	MISC PAYMENT		157.97	18,602.15
	EF1029 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		220.50	18,822.65
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		833.28	19,655.93
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
Oct 31	MISC PAYMENT		86.00	19,741.93
	EF1030 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		377.91	20,119.84
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Oct 1 to Oct 31, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Oct 31	Balance forward			\$20,119.84
	MISC PAYMENT VSA DEP07342181		741.88	20,861.72
	ROYAL BANK CENTRAL CARD CENTRE			
	DEPOSIT 04502 CHURCH AND CARLTON		2,610.00	23,471.72
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		97.16	23,568.88
	ACCOUNT FEE	50.00		23,518.88
	OVERDRAFT INTEREST	0.84		23,518.04
	PAPER STMNT FEE	3.00		23,515.04
	Closing balance			\$23,515.04

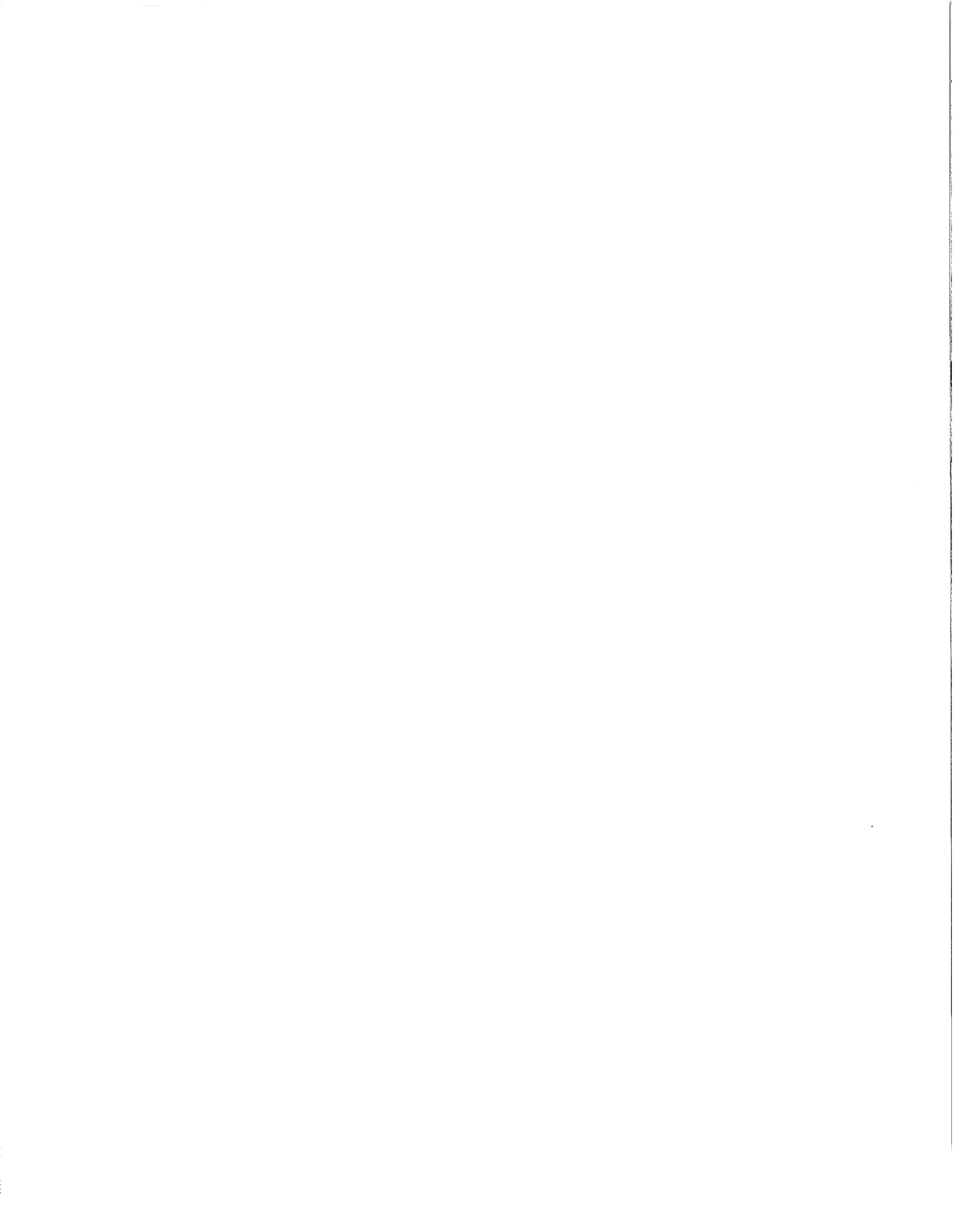
Important: This statement will be considered correct if you do not report errors, omissions or irregularities in entries and balances to CIBC in writing within 30 days from last date of the statement period covered by a previously issued regular statement where such period included the date the entry was, or should have been, posted.

This rule does not apply to improper credits to your account. Your rights under your business account operation agreement to verify and notify CIBC of account errors, omissions or irregularities do not apply to this statement which is for information or replacement purposes only.

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If you withdraw foreign currency from a bank machine located outside Canada, you are charged the same conversion rate CIBC is required to pay plus an administration fee, which is disclosed in the CIBC's current *Business Account Service Fees* brochure, a copy of which is available at any CIBC branch in Canada (this is in addition to any transaction fee applicable to the withdrawal and the network fee).

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CIBC Account Statement

PEMBROKE RESIDENCE LTD.

For Sep 1 to Sep 30, 2014

Account number
17-60815

Branch transit number
03522

The names shown are based on our current records, as of December 12, 2014. This statement does not reflect any changes in account holders and account holder names that may have occurred prior to this date.

Account summary

Opening balance on Sep 1, 2014		-	-\$875.89
Withdrawals	-		116,991.09
Deposits	+		112,158.36
Closing balance on Sep 30, 2014	=		-\$5,708.62

Contact information

☎ **1 800 465 CIBC (2422)**

Contact us by phone for questions on this update, change of personal information, and general inquiries, 24 hours a day, 7 days a week.

TTY hearing impaired

1 800 465 7401

Outside Canada and the U.S.

1 902 420 CIBC (2422)

🌐 www.cibc.com

Transaction details

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 1	Opening balance			-\$875.89
Sep 2	PURCHASE000521270830 WOODBINE CHRYSL 4506*****258	264.24		-1,140.13
	PURCHASE525001001084 ULTRAMAR#32754 4506*****258	50.00		-1,190.13
	PURCHASE000001001743 COSTCO WHOLESAL 4506*****258	82.97		-1,273.10
	PURCHASE002034325328 C20343 LESLIE S 4506*****258	70.00		-1,343.10
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		413.72	-929.38

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 2	Balance forward			-\$929.38
	MISC PAYMENT		130.85	-798.53
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	MISC PAYMENT		2,008.26	1,209.73
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,501.78	2,711.51
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	INTERNET BILL PMT000000735572	877.15		1,834.36
	TORONTO (CITY OF) UTILITY			
	4506*****258			
	INTERNET BILL PMT000000648001	633.31		1,201.05
	ENBRIDGE			
	4506*****258			
	INTERNET BILL PMT000000654433	1,000.00		201.05
	TORONTO HYDRO ELECTRIC SY			
	4506*****258			
	DEPOSIT 06742		8,985.00	9,186.05
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		148.95	9,335.00
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		89.27	9,424.27
	DSV DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,117.81	10,542.08
	EF0901 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,276.35	11,818.43
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		245.21	12,063.64
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		312.81	12,376.45
	EF0831 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		676.66	13,053.11
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		457.65	13,510.76
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

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CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 2	Balance forward			\$13,510.76
	MISC PAYMENT EF0830 07342181 ROYAL BANK CENTRAL CARD CENTRE		267.00	13,777.76
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,295.22	15,072.98
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		634.89	15,707.87
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		757.80	16,465.67
	PRE-AUTH DEBIT Lease Payment BUSINESS PAD	1,491.06		14,974.61
	INSURANCE FORESTERS LIFE INSURANCE COMPA	192.29		14,782.32
	MISC PAYMENT SERVICE FEES ROYAL BANK CENTRAL CARD CENTRE	5.00		14,777.32
	MISC PAYMENT VISAFEE07342181 ROYAL BANK CENTRAL CARD CENTRE	576.81		14,200.51
	MISC PAYMENT OTHERCARD FEES ROYAL BANK CENTRAL CARD CENTRE	1.20		14,199.31
	MISC PAYMENT MSTCFEE07342181 ROYAL BANK CENTRAL CARD CENTRE	802.03		13,397.28
	MISC PAYMENT INTERAC FEES ROYAL BANK CENTRAL CARD CENTRE	5.55		13,391.73
	MISC PAYMENT SERVICE FEES ROYAL BANK CENTRAL CARD CENTRE	33.25		13,358.48
	MISC PAYMENT OTHERCARD FEES ROYAL BANK CENTRAL CARD CENTRE	0.84		13,357.64
	MISC PAYMENT INTERAC FEES ROYAL BANK CENTRAL CARD CENTRE	2.94		13,354.70
	MISC PAYMENT EF0829 07342181 ROYAL BANK CENTRAL CARD CENTRE	1,256.56		12,098.14
	CHEQUE 40098876 2570	389.62		11,708.52

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CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 2	Balance forward			\$11,708.52
	CHEQUE 40269524 2802	1,583.33		10,125.19
	CHEQUE 40269559 2585	1,000.00		9,125.19
	CHEQUE 41295852 2801	2,825.00		6,300.19
	CHEQUE 41333197 2573	300.00		6,000.19
Sep 3	MISC PAYMENT EF0902 07342181 ROYAL BANK CENTRAL CARD CENTRE		302.69	6,302.88
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		815.93	7,118.81
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		531.02	7,649.83
	INTERNET BILL PMT000000908699 BELL CANADA BUSINESS INTE 4506*****258	256.16		7,393.67
	INTERNET BILL PMT000000905857 BELL CANADA BUSINESS INTE 4506*****258	256.16		7,137.51
	INTERNET BILL PMT000000982303 WSIB ONTARIO SCHEDULE 1 4506*****258	400.00		6,737.51
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		215.36	6,952.87
	CHEQUE 40371596 2588	305.25		6,647.62
	CHEQUE 40371597 2577	216.51		6,431.11
	CHEQUE 41530416 2579	361.44		6,069.67
	CHEQUE 41538179 2576	416.62		5,653.05
	CHEQUE 42191599 2581	202.32		5,450.73
	CHEQUE 43495074 2590	383.60		5,067.13
	CHEQUE 43512084 2582	416.62		4,650.51
Sep 4	MISC PAYMENT EF0903 07342181 ROYAL BANK CENTRAL CARD CENTRE		177.24	4,827.75
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		868.36	5,696.11
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		471.95	6,168.06
	INTERNET BILL PMT000000413408 BELL CANADA-BUSINESS/WATT 4506*****258	78.22		6,089.84

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 4	Balance forward			\$6,089.84
	INTERNET BILL PMT000000406945	102.10		5,987.74
	ROGERS WIRELESS 4506*****258			
	STOP PYMT CHARGE	20.00		5,967.74
	INSURANCE 0000000000000000 AVIVA INSURANCE	796.61		5,171.13
	CHEQUE 43065268 2584	389.62		4,781.51
Sep 5	MISC PAYMENT EF0904 07342181 ROYAL BANK CENTRAL CARD CENTRE		115.57	4,897.08
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		3,670.23	8,567.31
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		521.05	9,088.36
	PURCHASE040001001125 PIONEER STN #14 4506*****258	52.51		9,035.85
	CHEQUE 42268059 2596	545.22		8,490.63
	CHEQUE 42272304 2503	1,258.95		7,231.68
	CHEQUE 43268753 2578	362.13		6,869.55
	CHEQUE 43304972 2583	416.62		6,452.93
Sep 8	MISC PAYMENT EF0905 07342181 ROYAL BANK CENTRAL CARD CENTRE		268.00	6,720.93
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		871.87	7,592.80
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,702.95	9,295.75
	INTERNET BILL PMT000000041401 ROGERS CABLE 4506*****258	554.20		8,741.55
	INTERNET BILL PMT000000049800 BELL CANADA-BUSINESS/WATT 4506*****258	465.37		8,276.18
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		3,592.40	11,868.58
	MISC PAYMENT EF0907 07342181 ROYAL BANK CENTRAL CARD CENTRE		595.04	12,463.62

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 8	Balance forward			\$12,463.62
	MISC PAYMENT		404.20	12,867.82
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,045.80	13,913.62
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		780.12	14,693.74
	EF0906 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,173.83	15,867.57
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		991.46	16,859.03
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 40349384 2595	305.93		16,553.10
	CHEQUE 40381363 2601	1,000.00		15,553.10
	CHEQUE 41322100 2605	325.00		15,228.10
	CHEQUE 41322101 2606	395.50		14,832.60
	CHEQUE 41322102 2589	245.50		14,587.10
	CHEQUE 43468322 2594	373.74		14,213.36
	CHEQUE 43474508 2586	450.00		13,763.36
	CHEQUE 43474509 2587	300.00		13,463.36
Sep 9	MISC PAYMENT		830.82	14,294.18
	EF0908 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		726.30	15,020.48
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,631.88	16,652.36
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	WITHDRAWAL 06742	11,000.00		5,652.36
	BAYVIEW AND MAJOR MACKENZIE DR			
	INTERNET BILL PMT000000188857	1,078.88		4,573.48
	TORONTO HYDRO ELECTRIC SY 4506*****258			
	MISC PAYMENT		431.14	5,004.62
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	DEBIT MEMO	0.52		5,004.10
	BUS/FARM INSUR. C.I.B.C. BUF			
	CHEQUE 40530767 2524	623.45		4,380.65

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 9	Balance forward			\$4,380.65
	CHEQUE 41425691 2598	276.79		4,103.86
	CHEQUE 43027765 2599	416.62		3,687.24
Sep 10	MISC PAYMENT EF0909 07342181 ROYAL BANK CENTRAL CARD CENTRE		115.57	3,802.81
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,096.75	4,899.56
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		462.48	5,362.04
	PURCHASE879001001016 SKOR TORONTO LO 4506*****258	58.94		5,303.10
	PURCHASE000001080024 SHOPPERS DRUG M 4506*****258	20.17		5,282.93
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		644.38	5,927.31
	CHEQUE 43059880 2604	339.17		5,588.14
	CHEQUE 43059962 2593	216.51		5,371.63
Sep 11	MISC PAYMENT EF0910 07342181 ROYAL BANK CENTRAL CARD CENTRE		239.27	5,610.90
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		519.83	6,130.73
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,173.67	7,304.40
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		291.15	7,595.55
	CHEQUE 40201238 2504	1,120.70		6,474.85
Sep 12	MISC PAYMENT EF0911 07342181 ROYAL BANK CENTRAL CARD CENTRE		609.27	7,084.12
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		678.99	7,763.11
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,205.25	8,968.36

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 12	Balance forward			\$8,968.36
	CHEQUE 40311228 2525	623.45		8,344.91
	CHEQUE 40342889 2616	545.22		7,799.69
	CHEQUE 43396327 2602	450.00		7,349.69
	CHEQUE 43396328 2603	300.00		7,049.69
Sep 15	PURCHASE002034329505	25.00		7,024.69
	C20343 LESLIE S 4506*****258			
	MISC PAYMENT EF0912 07342181 ROYAL BANK CENTRAL CARD CENTRE		115.57	7,140.26
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		722.43	7,862.69
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,746.49	9,609.18
	MISC PAYMENT EF0914 07342181 ROYAL BANK CENTRAL CARD CENTRE		405.54	10,014.72
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		562.79	10,577.51
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		595.05	11,172.56
	MISC PAYMENT EF0913 07342181 ROYAL BANK CENTRAL CARD CENTRE		230.47	11,403.03
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,132.38	12,535.41
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,322.41	13,857.82
	INSURANCE FORESTERS LIFE INSURANCE COMPA	53.47		13,804.35
	INSURANCE FORESTERS LIFE INSURANCE COMPA	129.96		13,674.39
	RENT/LEASE L.A.K.E.S. - SECURCOR	1,996.30		11,678.09
	CORRECTION 03522		1,996.30	13,674.39
Sep 16	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		600.03	14,274.42

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 16	Balance forward			\$14,274.42
	MISC PAYMENT EF0915 07342181 ROYAL BANK CENTRAL CARD CENTRE		77.97	14,352.39
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,342.89	15,695.28
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		346.51	16,041.79
	WITHDRAWAL 06742 BAYVIEW AND MAJOR MACKENZIE DR	11,007.50		5,034.29
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		86.15	5,120.44
	CHEQUE 40065211 2625	395.50		4,724.94
	CHEQUE 42106737 2615	349.99		4,374.95
	CHEQUE 42120952 2621	450.00		3,924.95
	CHEQUE 42120953 2622	300.00		3,624.95
	CHEQUE 42138217 2620	1,000.00		2,624.95
Sep 17	MISC PAYMENT EF0916 07342181 ROYAL BANK CENTRAL CARD CENTRE		261.51	2,886.46
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		3,845.61	6,732.07
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		878.63	7,610.70
	INTERNET BILL PMT000000431015 BELL CANADA BUSINESS INTE 4506*****258	89.62		7,521.08
	INTERNET BILL PMT000000455983 BELL CANADA-BUSINESS/WATT 4506*****258	54.14		7,466.94
	INTERNET BILL PMT000000499805 BELL CANADA BUSINESS INTE 4506*****258	114.04		7,352.90
	INTERNET BILL PMT000000801838 TORONTO (CITY OF) UTILITY 4506*****258	1,100.73		6,252.17
	PURCHASE000001695021 SERVICEONTARIO 4506*****258	1,608.00		4,644.17

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CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 17	Balance forward			\$4,644.17
	MISC PAYMENT		530.75	5,174.92
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 40162484 2613	205.84		4,969.08
Sep 18	MISC PAYMENT		521.55	5,490.63
	EF0917 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,287.78	6,778.41
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		381.08	7,159.49
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	DEPOSIT 06742		5,475.00	12,634.49
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		72.97	12,707.46
	BAYVIEW AND MAJOR MACKENZIE DR			
	PURCHASE000001071028	47.08		12,660.38
	PAUL WOLF ELECT			
	4506*****258			
	PURCHASE810001001028	155.72		12,504.66
	SKOR TORONTO LO			
	4506*****258			
	MISC PAYMENT		172.29	12,676.95
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	CHEQUE 41429722 2619	416.62		12,260.33
	CHEQUE 41432638 2608	299.08		11,961.25
	CHEQUE 43440569 2611	320.01		11,641.24
	CHEQUE 43448434 2607	1,440.75		10,200.49
Sep 19	MISC PAYMENT		940.84	11,141.33
	EF0918 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,411.63	12,552.96
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		823.99	13,376.95
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE000000332014	50.01		13,326.94
	PETRO-CANADA			
	4506*****258			
	CHEQUE 40549891 2505	1,120.70		12,206.24
	CHEQUE 40556009 2617	216.51		11,989.73

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 19	Balance forward			\$11,989.73
	CHEQUE 40556010 2623	461.33		11,528.40
	CHEQUE 40556011 2597	216.51		11,311.89
	CHEQUE 41527237 2612	437.74		10,874.15
	CHEQUE 41584662 2629	545.22		10,328.93
Sep 22	PURCHASE000001067172	50.02		10,278.91
	NIAGARA ESSO SE 4506*****258			
	MISC PAYMENT EF0919 07342181		974.21	11,253.12
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT MC DEP 07342181		804.91	12,058.03
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT VSA DEP07342181		2,136.00	14,194.03
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT EF0921 07342181		231.84	14,425.87
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT MC DEP 07342181		1,228.09	15,653.96
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT VSA DEP07342181		521.18	16,175.14
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT EF0920 07342181		446.38	16,621.52
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT MC DEP 07342181		1,358.27	17,979.79
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT VSA DEP07342181		1,073.50	19,053.29
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT AMEX 9302783064		140.67	19,193.96
	AMEX BANK OF CANADA			
	PRE-AUTH DEBIT BOOKING.COM B.V BUSINESS PAD	6,655.20		12,538.76
	CHEQUE 29094738 2636	395.50		12,143.26
	CHEQUE 8434479M 2120	3,582.95		8,560.31
Sep 23	MISC PAYMENT EF0922 07342181		347.97	8,908.28
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 23	Balance forward			\$8,908.28
	MISC PAYMENT		362.76	9,271.04
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		155.94	9,426.98
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	WITHDRAWAL 06742	11,007.50		-1,580.52
	BAYVIEW AND MAJOR MACKENZIE DR			
	DEPOSIT 06742		2,084.51	503.99
	BAYVIEW AND MAJOR MACKENZIE DR			
	MISC PAYMENT		68.05	572.04
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	PRE-AUTH DEBIT	1,563.65		-991.61
	INDCOM BUSINESS PAD			
	CHEQUE 34159043 2600	389.62		-1,381.23
	CHEQUE 34159046 2624	389.62		-1,770.85
	CHEQUE 26066277 2634	450.00		-2,220.85
	CHEQUE 26066280 2635	300.00		-2,520.85
	CHEQUE 26140830 2609	395.63		-2,916.48
	CHEQUE 27146902 2631	416.62		-3,333.10
	CHEQUE 27147274 2618	399.59		-3,732.69
	CHEQUE 34228676 2614	393.48		-4,126.17
	CHEQUE 34228679 2627	364.09		-4,490.26
	CHEQUE 35092809 2526	623.45		-5,113.71
	CHEQUE 36151294 2628	232.50		-5,346.21
	CORRECTION 03522		1,563.65	-3,782.56
Sep 24	MISC PAYMENT		233.91	-3,548.65
	EF0923 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		522.57	-3,026.08
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,377.78	-1,648.30
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	PURCHASE002034322003	50.00		-1,698.30
	C20343 LESLIE S			
	4506*****258			
	MISC PAYMENT		153.34	-1,544.96
	AMEX 9302783064			
	AMEX BANK OF CANADA			
	INSURANCE	518.57		-2,063.53
	CORPORATE BENEFIT ANALYSTS INS			

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CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 24	Balance forward			-\$2,063.53
	CHEQUE 28323728 2592	218.31		-2,281.84
	CHEQUE 35229537 2626	192.52		-2,474.36
Sep 25	MISC PAYMENT		525.21	-1,949.15
	EF0924 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		1,053.70	-895.45
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		398.38	-497.07
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		289.44	-207.63
	AMEX 9302783064			
	AMEX BANK OF CANADA			
Sep 26	PURCHASE00000988562	50.01		-257.64
	PETRO-CANADA			
	4506*****258			
	MISC PAYMENT		357.08	99.44
	EF0925 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,182.55	2,281.99
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		491.62	2,773.61
	VSA DEP07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	123.17		2,650.44
	VI C81/05208244			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT	10.00		2,640.44
	VISA CHGBK.FEE			
	ROYAL BANK CENTRAL CARD CENTRE			
	CHEQUE 28192715 2642	545.22		2,095.22
Sep 29	PURCHASE000001001624	13.00		2,082.22
	DOLLARAMA # 455			
	4506*****258			
	MISC PAYMENT		212.44	2,294.66
	EF0926 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			
	MISC PAYMENT		2,159.76	4,454.42
	MC DEP 07342181			
	ROYAL BANK CENTRAL CARD CENTRE			

(continued on next page)

CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 29	Balance forward			\$4,454.42
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,465.41	5,919.83
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		679.60	6,599.43
	MISC PAYMENT EF0928 07342181 ROYAL BANK CENTRAL CARD CENTRE		79.97	6,679.40
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,366.75	8,046.15
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		8.00	8,054.15
	MISC PAYMENT EF0927 07342181 ROYAL BANK CENTRAL CARD CENTRE		177.97	8,232.12
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,104.49	9,336.61
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		1,500.27	10,836.88
	MISC PAYMENT AMEX 9302783064 AMEX BANK OF CANADA		280.25	11,117.13
	INSURANCE INTACT INS. CO.	161.74		10,955.39
	CHEQUE 31051670 2506	1,120.70		9,834.69
Sep 30	MISC PAYMENT EF0929 07342181 ROYAL BANK CENTRAL CARD CENTRE		439.85	10,274.54
	MISC PAYMENT MC DEP 07342181 ROYAL BANK CENTRAL CARD CENTRE		1,104.69	11,379.23
	MISC PAYMENT VSA DEP07342181 ROYAL BANK CENTRAL CARD CENTRE		450.05	11,829.28
	DEPOSIT 06742 BAYVIEW AND MAJOR MACKENZIE DR		1,977.97	13,807.25
	WITHDRAWAL 06742 BAYVIEW AND MAJOR MACKENZIE DR	11,000.00		2,807.25

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CIBC Account Statement

Sep 1 to Sep 30, 2014
 Account number: 17-60815
 Branch transit number: 03522

Transaction details (continued)

Date	Description	Withdrawals (\$)	Deposits (\$)	Balance (\$)
Sep 30	Balance forward			\$2,807.25
	PURCHASE000001001142	117.99		2,689.26
	WAL-MART #3195 4506*****258			
	MISC PAYMENT		89.72	2,778.98
	AMEX 9302783064 AMEX BANK OF CANADA			
	CHEQUE 26517855 2527	623.45		2,155.53
	CHEQUE 26574063 2632	416.62		1,738.91
	CHEQUE 27571402 2639	416.62		1,322.29
	CHEQUE 27572053 2610	545.65		776.64
	CHEQUE 27583303 2644	416.62		360.02
	CHEQUE 27588418 2641	234.30		125.72
	CHEQUE 28411673 2646	450.00		-324.28
	CHEQUE 28411676 2647	300.00		-624.28
	CHEQUE 35058909 2638	132.09		-756.37
	CHEQUE 27110416 2649	395.50		-1,151.87
	CHEQUE 32215140 2651	2,500.00		-3,651.87
	CHEQUE 35154822 2648	392.00		-4,043.87
	CHEQUE 35154825 2652	1,583.33		-5,627.20
	OVERDRAFT INTEREST	2.84		-5,630.04
	LOAN ADMIN FEE	9.50		-5,639.54
	DEPOSIT NOTE FEE 7,149. AT 2.25/1,000.	16.08		-5,655.62
	ACCOUNT FEE	50.00		-5,705.62
	PAPER STMNT FEE	3.00		-5,708.62
	Closing balance			-\$5,708.62

Important: This statement will be considered correct if you do not report errors, omissions or irregularities in entries and balances to CIBC in writing within 30 days from last date of the statement period covered by a previously issued regular statement where such period included the date the entry was, or should have been, posted.

This rule does not apply to improper credits to your account. Your rights under your business account operation agreement to verify and notify CIBC of account errors, omissions or irregularities do not apply to this statement which is for information or replacement purposes only.

***Foreign Currency Conversion Fee:**

If you withdraw foreign currency from a bank machine located outside Canada, you are charged the same conversion rate CIBC is required to pay plus an administration fee, which is disclosed in the CIBC's current *Business Account Service Fees* brochure, a copy of which is available at any CIBC branch in Canada (this is in addition to any transaction fee applicable to the withdrawal and the network fee).

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 ® Interac is a registered trademark of Interac Inc./CIBC Licensee

Tab F

Agreement of Purchase and Sale

This Agreement is made as of the 3rd day of December, 2014, between

A. FARBER & PARTNERS INC. in its capacity as court-appointed receiver of Pembroke Residence Ltd., and not in its personal or corporate capacity (collectively, the “**Vendor**”)

and

KEVIN SIT INVESTMENTS INC. a company existing under the laws of Ontario (the “**Purchaser**”)

RECITALS

A. **WHEREAS** pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 17, 2014 (the “**Receivership Order**”), A. Farber & Partners Inc. (the “**Receiver**”) was appointed as receiver and manager of the assets, properties and undertakings of Pembroke Residence Ltd. (the “**Debtor**”);

B. **AND WHEREAS** subject to the approval of the Court, the Vendor wishes to sell and the Purchaser wishes to purchase on an “as is, where is basis” all of the right, title and interest of the Vendor in the Purchased Assets (as defined below) pursuant to the terms and conditions of this Agreement; and

C. **AND WHEREAS** as part of the sales procedure contemplated herein, the Receiver shall seek an order from the Court approving this Agreement as a stalking horse bid and the procedures for marketing and selling the Purchased Assets (the “**Stalking Horse Approval Order**”).

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (1) **Agreement** means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time; provided that this agreement shall constitute an offer, as set out in Section 2.1, until accepted by the Vendor;
- (2) **Business Day** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed in Toronto, Ontario, Canada;

- (3) **Contracts** means any written, but not oral, contracts, personal property leases, licenses from any Person, service contracts and any other similar written agreement between either of the Company or the Vendor and any Person relating in any way to the Purchased Assets, including without limitation the Franchise Agreement relating to the Hotel;
- (4) **Closing** means the completion of the Transaction;
- (5) **Closing Date** means the tenth (10th) Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to in writing by the parties;
- (6) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein.;
- (7) **ETA** means the *Excise Tax Act* (Canada);
- (8) **Franchise Agreement** means the Contract between Knights Inn Canada Franchise Systems Limited and the Debtor, dated March 2, 2012;
- (9) **Governmental Authority** means any Canadian federal, provincial, state, municipal or local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body having jurisdiction over the Purchased Assets;
- (10) **Hotel** means the business carried on by the Debtor, known as the Hotel Knights Inn Toronto and operated on the Real Property, pursuant to the Franchise Agreement;
- (11) **Permitted Encumbrances** means those encumbrances set out on Schedule "B" hereto;
- (12) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- (13) **Purchased Assets** means all property, assets, and undertaking of the Debtor wherever situate, including the Real Property (as hereinafter defined);
- (14) **Real Property** means the real property legally owned by the Debtor and municipally known as 117 Pembroke Street, Toronto, Ontario, and as more particularly and legally described in Schedule "A" hereto as well as all buildings and fixtures located thereon;
- (15) **Taxes** means, other than Transfer Taxes, all taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges, including, without limitation, all federal, state, local foreign and other income, environmental, add-on, minimum, franchise, profits, capital gains, capital stock, capital structure, transfer, gross receipt, use, *ad*

valorem, service, service use, lease, recording, customs, occupation, property, excise, gift, windfall profits, premium, stamp, license, payroll, social security, employment, unemployment, disability, value-added, withholding, and other taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a return) and all estimated taxes, deficiency assessments, additions to tax, additional amounts imposed by a governmental authority (domestic or foreign), penalties, fines and interest, and shall include any liability for such amounts as a result either of being a member of a combined, consolidated, unitary or affiliated group or of a contractual obligation to indemnify any person, regardless of whether disputed;

- (16) ***Time of Closing or Closing Time*** means 2:00 p.m. (Toronto time) on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;
- (17) ***Transaction*** means the transaction of purchase and sale contemplated by this Agreement;
- (18) ***Transfer Taxes*** means all present and future harmonized sales taxes and value-added taxes, and any other taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the Application for Vesting Order in connection with the transfer of the Purchased Assets.

1.2 Headings and References

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement," "hereof," "hereunder" and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections and further subdivisions of sections of this Agreement.

1.3 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."

1.4 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

SECTION 2 – OFFER

2.1 Offer

Subject to satisfaction of the conditions set out in Sections 5.1, 5.2 and 5.3 hereof, this Agreement, once executed by the Purchaser and the Vendor, shall constitute a valid and binding offer to purchase by the Purchaser.

SECTION 3 – SALE AND PURCHASE

3.1 Sale and Purchase of Purchased Assets and Purchased Assets

Subject to the terms and conditions of this Agreement, including, without limitation, the payment of the Purchase Price, the Vendor shall sell to the Purchaser and the Purchaser shall purchase all of the Vendor's right, title and interest, if any, in and to the Purchased Assets, including, without limitation, the Purchased Assets, on the Closing Date free of Encumbrances other than Permitted Encumbrances. The Purchaser acknowledges that it is not purchasing any other property or assets of the Vendor other than the Purchased Assets.

The Purchaser acknowledges and agrees that certain of the Purchased Assets may be subject to or consist of one or more Contracts. It shall be the Purchaser's sole responsibility to obtain, at its own expense, any consents, approvals or any further documentation or assurances which may be required to carry out the terms of the sale of the Purchased Assets, including, without limitation, any approvals with respect to assignment of any of the assigned Contracts or any of the Purchased Assets not assignable without the consent or action of a third party or parties. The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the assigned Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining any necessary consents of third parties to the assignment of the assigned Contracts. Notwithstanding the foregoing, the Vendor shall have no liability to the Purchaser for non-acknowledgement by any Persons of the purported assignment by the Vendor of its right, title and interest in any such Assigned Contract, if any such Assigned Contract is not assignable by the Vendor, if any such Assigned Contract has been terminated by any Party thereto. The Vendor does not make any representation or warranty that any such Assigned Contract may be effectively assigned to the Purchaser. If reasonably required by the Purchaser, the Vendor shall assign to the Purchaser by way of an assignment in form and content satisfactory to the Vendor and its solicitors any of the Contracts that may require a specific assignment, but only to the extent that such assigned Contracts are assignable by the Vendor. The form of assignment shall not provide for or require an acknowledgement or agreement to the assignment by any other Person.

3.2 Purchase Price

- (1) The purchase price (the "**Purchase Price**") for the Purchased Assets including the Real Property, shall be allocated by the parties between the Purchased Assets prior to Closing and, shall be \$4,500,000.00, subject to any usual and ordinary adjustments, plus applicable Taxes (including HST in accordance with Section 3.3, below) and Transfer Taxes (in accordance with Section 3.5).
- (2) Any adjustments that cannot be determined on the Closing Date, including, without limitation, any ordinary course adjustments, including, but not limited to, adjustment for utilities and customer contracts that may be reasonably necessary, shall be determined by the parties as soon after the Closing Date as is reasonably possible. Any amounts payable by one party to the other, as determined by the parties, acting reasonably, shall be paid within ten (10) days of the request for such payment. Upon completion, the Vendor and the Purchaser shall exchange undertakings to re-adjust the foregoing items, if necessary,

which undertakings to readjust shall be limited to any readjustments requested within 180 days of the Closing Date or such longer period as the parties may agree.

3.3 Harmonized Sales Tax

- (1) The Purchase Price of the Purchased Assets does not include the Harmonized Sales Tax (“HST”), if any, payable by the Purchaser in respect of the purchase of the Purchased Assets pursuant to the ETA. Subject to Section 3.3(2) below, the Purchaser agrees to pay to the Vendor, on the Closing Date, as a condition of completion of the Transaction by certified cheque or bank draft, all HST payable, if any, as a result of this transaction in accordance with the Act.
- (2) Notwithstanding Section 3.3(1) above, the Vendor shall not collect HST from the Purchaser in this transaction if the Purchaser is registered under the ETA as an HST registrant and in that event, the Purchaser shall self-assess, file returns and remit such HST to the Receiver General for Canada when and to the extent required by the ETA. The Purchaser shall provide to the Vendor, on the Closing Date, a statutory declaration confirming that the Purchaser is registered under the ETA for the purposes of collecting and remitting HST, and confirming its HST registration number under the ETA, together with an indemnity in favour of the Vendor for any costs or expenses payable by the Vendor as a result of the Vendor’s failure to collect HST from the Purchaser on the Closing Date, such statutory declaration and indemnity to be in a form satisfactory to the Vendor’s and the Purchaser’s solicitors, both acting reasonably.
- (3) The Purchaser’s obligations under this Section 3.3 shall survive Closing.

3.4 Payment of Purchase Price

- (1) The Purchaser shall pay the Purchase Price as follows:
 - (a) by paying an amount equivalent to 10% of the Purchase Price at the time of submission of this offer, by certified cheque or bank draft payable to the Vendor’s solicitor upon execution by the Purchaser of this Agreement, as a deposit (together with the interest earned thereon from time to time, the “Deposit”), which amount, together with all interest accrued thereon, will be held by the Vendor’s solicitor pending closing and credited toward the Purchase Price on Closing unless otherwise returned to the Purchaser in accordance with Section 5.6; and
 - (b) by paying an amount equal to the balance of the Purchase Price plus applicable Taxes and Transfer Taxes, if any, on the Closing Date, by certified cheque or bank draft payable to the Vendor or as the Vendor may direct at Closing.

3.5 Legal Fees and Costs

The Purchaser shall pay its own legal costs and fees payable in connection with the Transaction, if any.

3.6 "As is, Where is"

(1) The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets, as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same. Without limiting the generality of the foregoing: (1) any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and (2) no representation or warranty is made with respect to the accuracy or completeness of any information provided by the Vendor and its respective officers, directors, employees, and agents, to the Purchaser in connection with this transaction. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendor for the purposes of conducting inspections and other due diligence prior to the Closing Date.

(3) The Vendor agrees to provide any authorization required to allow the Purchaser's solicitor to perform searches for the purposes of conducting due diligence prior to the Closing Date.

3.7 Employees of Pembroke Residence Ltd.

The Purchaser shall provide the Vendor of a list of employees to whom it wishes to offer employment two business days before Closing (the "**Continuing Employees**"). The employment by the Debtor of all employees employed at the Real Property other than the Continuing Employees shall be terminated prior to Closing.

SECTION 4 – REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Representations.

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor was appointed as the Receiver pursuant to the Receivership Order;
- (b) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;

- (c) the Vendor is not, and at the time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (d) the Vendor, as the Receiver for the Debtor, has right, power and authority to market any or all of the Purchased Assets for sale and, subject to the approval of the Court, to sell, convey, transfer, lease or assign the Purchased Assets in accordance with and subject to the terms and conditions of this Agreement; and
- (e) the Vendor is registered under Part IX of the ETA and the Vendor's HST number for the Debtor is 827 693 136 RT0001.

4.2 Purchaser's Representations.

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation existing under the laws of Ontario, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party and the consummation of the Transaction have been duly authorized by all requisite corporate action;
- (c) other than the Approval and Vesting Order, no approval or consent of and no filing with or application to any Governmental Authority is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than such approvals, consents, filings and applications that have been obtained or made as at the date hereof, copies of which have been provided to the Vendor;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser has entered into this Agreement and will be completing the Transaction on its own account, not as an agent; and
- (f) the Purchaser is registered under Part IX of the ETA.

4.3 Survival.

The representations and warranties of the parties shall not survive Closing.

SECTION 5 – CONDITIONS TO CLOSING

5.1 Conditions - Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

- (a) all representations and warranties of the Vendor contained in this Agreement shall be true as of the Closing Time with the same effect as though made as of that time and the Vendor shall deliver to the Purchaser a certificate signed by a representative of the Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Vendor shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Vendor shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 6.2.

The foregoing conditions are for the exclusive benefit of the Purchaser.

5.2 Conditions - Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Closing Time:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Closing Time with the same effect as though made as of that time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Purchaser shall have delivered or caused to be delivered to the Vendor each of the items listed in Section 6.3.

The foregoing conditions are for the exclusive benefit of the Vendor.

5.3 Conditions – Vendor and Purchaser

(1) Neither party shall be obligated to complete the Transaction contemplated by this Agreement unless the following conditions have been fulfilled:

- (a) immediately upon signing of this Agreement by the Vendor, the Stalking Horse Approval Order will be sought by the Vendor in form and content acceptable to

the Purchaser, which is to be obtained no later than January 15, 2015, and which will, amongst other things:

- (i) authorize the Receiver to enter into this Agreement;
 - (ii) approve and recognize this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid”; and
 - (iii) set out the terms and conditions of a timetable for a sale process (the “**Sale Process**”) with respect to the Purchased Assets, including but not limited to the Real Property which shall be substantially in the form attached as Schedule C hereof with such amendments as the Vendor and Purchaser may agree; and
 - (iv) provide for a sale approval and vesting order(s) (the “**Approval and Vesting Order**”) in favour of the winning bidder;
- (b) the Vendor has obtained the Approval and Vesting Order not later than February 28, 2015 or such later date as the Vendor and Purchaser may agree to, in a form and content acceptable to the Purchaser and, as at the Closing Time, the Approval and Vesting Order shall not have been stayed, reversed or dismissed;
- (c) all necessary corporate steps and proceedings shall have been taken by the parties to permit the execution of this Agreement and performance of each of the parties’ obligations hereunder;
- (d) as of the Closing Time, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Government Authority, regulatory body or agency in any jurisdiction which restrains or prevents the sale of the Purchased Assets under this Agreement or restricts, prohibits or directs the Vendor not to complete the transaction contemplated by this Agreement and no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other governmental order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or which would otherwise materially adversely affect or interfere with the prosecution of the Purchased Assets following Closing; and
- (e) as at the Closing Time, the Purchased Assets shall not have been removed from the control of the Vendor by any means or process (the Purchaser and the Vendor acknowledging and agreeing that if, prior to the Closing Time, the Purchased Assets are removed from the Vendor’s control by government action, civil commotion or by order of the Court, or any other cause beyond the Vendor’s control, then this Agreement shall automatically be terminated and the provisions of Section 5.6 hereof shall apply *mutatis mutandis*).

The foregoing conditions are for the mutual benefit of both parties and may not be waived by either party.

- (2) The Purchaser acknowledges and agrees that the Sale Process is in contemplation of determining whether one or more qualified bids can be obtained for the Purchased Assets.
- (3) The Vendor covenants that it will use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Section 5.1 and Section 5.3 hereof and the Purchaser covenants to use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Sections 5.2 and 5.3 hereof prior to the times specified therefor.

5.4 Break-Up Fee

- (1) In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the stalking horse bid and the preparation and negotiation of this Agreement and subject to the terms and conditions of this Agreement and of the Stalking Horse Approval Order, upon the termination of this Agreement by the Receiver or the closing of a sale and transfer, or a series of sales and transfers, of substantially all of the Purchased Assets to one or more third parties other than the Purchaser (an "**Alternative Transaction**"), the Receiver shall pay to the Purchaser from the proceeds of an Alternative Transaction a break-up fee (the "**Break-Up Fee**") of \$250,000.
- (2) Payment of the Break-Up Fee shall be made by the Receiver upon Court approval of said payment after consummation of the Alternative Transaction. Upon payment of the Break-Up Fee to the Purchaser, the parties shall have no further obligations to the other under this Agreement.

5.5 Non-Satisfaction of Conditions

- (1) If any condition set out in Section 5.1 or Section 5.2 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is inserted may in writing:
 - (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
 - (b) elect on written notice to the other party to terminate this Agreement before Closing.
- (2) If any condition set out in Section 5.3 is not satisfied or performed prior to the time specified therefor, either the Vendor or the Purchaser may elect on written notice to the other party to terminate this Agreement before Closing.

5.6 Termination Obligations

If the Purchaser or the Vendor validly terminates this Agreement in accordance with Section 5.5, then:

- (1) all the obligations of both the Vendor and Purchaser pursuant to this Agreement shall be at an end;
- (2) the Purchaser shall be entitled to have the Deposit together with all accrued interest thereon returned to the Purchaser; and
- (3) neither party shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from the other.

5.7 Breach by Purchaser

If the Purchaser fails to complete the Transaction in accordance with the terms of this Agreement, then the Vendor may by notice to the Purchaser elect to treat the Agreement as having been repudiated by the Purchaser. In that event, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor on account of its liquidated damages, not as a penalty and the Purchased Assets may be resold by the Vendor without prejudice to any claims which the Vendor may have against the Purchaser by reason of such default.

SECTION 6 – CLOSING

6.1 Closing

The completion of the Transaction shall take place at the offices of Aird & Berlis LLP, solicitors for the Vendor, in Toronto, Ontario at the Closing Time or at such other location(s) as are agreed upon by the parties.

6.2 Vendor's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendor which have not been waived in writing by the Vendor, the Vendor shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued Stalking Horse Approval Order;
- (b) a copy of the issued Approval and Vesting Order;
- (c) the necessary conveyances, executed by the Receiver, conveying to the Purchaser all of the right, title and interest of the Vendor and the Receiver, if any, in and to the Purchased Assets, pursuant to the Approval and Vesting Order;
- (d) any assignments of any of the Vendor's rights under the Contracts required pursuant to this Agreement;

- (e) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Contracts of the assignment of such Contracts to the Purchaser, together with directions relating to the performance of obligations under such Contracts all in such form as the Purchaser may reasonably require;
- (f) a statement of adjustments prepared in accordance with Section 3.2(2) hereof, to be delivered not less than five (5) Business Days prior to the Closing Date;
- (g) a direction from the Vendor designating the party or parties to which the balance of the Purchase Price described in Section 3.4(1)(b) hereof shall be paid and in the event that the Vendor designates more than one party then it shall also designate amounts payable to each of the parties;
- (h) the Vendor's undertaking to re-adjust any errors, omissions or changes in statement of adjustments;
- (i) the Vendor's certificate setting out that the Vendor is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada) and is not the agent nor trustee of a "non-resident";
- (j) the certificate of the Vendor referenced in Section 5.1(b);
- (k) all copies of plans, specifications and designs in respect of the Real Property, in the Vendor's possession, if any;
- (l) all master keys and duplicate keys relating to the Real Property in the Vendor's possession, if any and all security cards and codes relating to the Real Property in the Vendor's possession, if any; and
- (m) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

6.3 Purchaser's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Vendor of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of the Purchase Price pursuant to Section 3.4;
- (b) payment or evidence of the payment of the Taxes and Transfer Taxes, if any;
- (c) the Purchaser's undertaking to readjust any errors, omissions or changes in the statement of adjustments;
- (d) the certificate of the Purchaser referenced in Section 5.2(b); and

- (e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

6.4 Transfer Taxes.

Subject to Sections 3.2 and 3.5, the parties agree that the Purchaser shall be liable and shall pay any and all Transfer Taxes and shall indemnify or reimburse the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay any Transfer Taxes. At Closing, the Purchaser will, as applicable, either pay the foregoing to the Vendor or deliver to the Vendor evidence confirming the Purchaser's payment of all of the foregoing, in form and substance satisfactory to the Vendor, acting reasonably. The Purchaser shall be entitled to provide the Vendor with evidence that the Purchaser is an exempt Purchaser, in whole or in part, for purposes of relevant legislation and, upon provision of such evidence satisfactory to the Vendor, acting reasonably, the Purchaser shall not be required to pay on Closing such Transfer Taxes.

6.5 Risk

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendor, except as otherwise provided in this Section 6.5. In the event of any damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect: (i) to require the Vendor to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the transaction without an abatement in the Purchase Price; (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor in which event the Purchaser will complete the transaction and accept the price reduction equal to such cost; or (iii) to terminate this Agreement in which case the Deposit shall be immediately returned to the Purchaser, with interest and without deduction, and neither party shall have any further rights or obligations under this Agreement.

6.6 Electronic Registration

- (1) Where the Real Property is in an area where electronic registration is mandatory and the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, c. L-4, and the Electronic Registration Act, S.O. 1991, c.-44, and any amendments thereto, the Vendor and the Purchaser acknowledge and agree that the exchange of closing funds, documents and other closing deliverables provided for under this Agreement and the release thereof to the Vendor and the Purchaser shall:
 - (a) not occur at the same time as the registration of the Application for Vesting Order in connection with the Real Property (and any other documents intended to be registered in connection with the completion of this Transaction); and
 - (b) be subject to conditions whereby the lawyer(s) receiving any of the closing deliverables will be required to hold such closing deliverables in escrow and not release same except in accordance with the terms of a document registration

agreement between the said lawyers, which shall be in the form as recommended from time to time by the Law Society of Upper Canada.

6.7 Purchaser's Acknowledgement

The Purchaser acknowledges that the Vendor is selling the Purchased Assets solely pursuant to the Vendor's rights and capacity conferred by the Receivership Order and the Approval and Vesting Order. The Purchaser agrees to accept a conveyance of the Purchased Assets by way of the Approval and Vesting Order.

6.8 Possession of Purchased Assets

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situate at the Closing Time provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

6.9 Tender

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date.

SECTION 7 – GENERAL

7.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Vendor:

A. Farber & Partners Inc.

150 York Street

Suite 1600

Toronto, Ontario, M5H 3S5

Attention: Hylton Levy

Facsimile: 416-496-3839

Email: hlevy@farberfinancial.com

with a copy to:

Aird & Berlis LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: D. Robb English
Facsimile: 416-863-1515
Email: renglish@airdberlis.com

In the case of the Purchaser:

Kevin Sit Investments Inc.
5745 Atlantic Drive
Mississauga, Ontario
L4W 1H3

Attention: John Sit
Email: midwayinvader@yahoo.ca

with a copy to:

Louis M. Fried Professional Corporation
Barrister & Solicitor
2180 Steeles Avenue West
Concord, ON L4K 2Z5

Attention: Louis M. Fried
Facsimile: 905-738-6203
Email: louis@louismfried.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day following the transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the second Business Day following the delivery or transmittal thereof if not so delivered or transmitted.

7.2 Time of Essence

Time shall be of the essence for every provision hereof.

7.3 Expenses

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Companies.

7.4 Third Party Beneficiaries

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

7.5 Commission

The Purchaser acknowledges that there are no agent's or broker's fees or other commissions payable by the Vendor on the Purchase Price and Purchaser agrees to indemnify and save the Vendor harmless with respect to any claims for compensation or commission by any third party or agent retained by the Purchaser.

7.6 Further Assurances

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.7 Entire Agreement

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

7.8 Amendments

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

7.9 Waiver

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

7.10 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 each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

7.11 Benefit of Agreement

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that the Purchaser shall not assign the benefit of this Agreement without the prior written consent of the Vendor.

7.12 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

7.13 Counterparts

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

7.14 Assignment and Enurement

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

7.15 *Planning Act* (Ontario)

This Agreement shall be effective to create an interest in the Purchased Assets for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing.

[the next page is the signature page]

Dated as of the date first set out above.

KEVIN SIT INVESTMENTS INC.

Per: _____

Name: *KEVIN SIT*

Title: *PRESIDENT*

Per: _____

Name:

Title:

We have the authority to bind the corporation

Dated at Toronto, Ontario as of the 16 day of December, 2014.

A. FARBER & PARTNERS INC., solely in its capacity as court-appointed receiver of Pembroke Residence Ltd., and not in its corporate or personal capacity

Per: _____

Name: *HYLTON LEWY*

Title: *PARTNER*

I have the authority to bind the corporation

Schedule "A"
Real Property Description

Municipal address: 117 Pembroke Street, Toronto, Ontario.

Legal Description: PIN – 21100-0139 (LT)

Schedule "B"
Permitted Encumbrances

1. Notice of Security Interest in the principal sum of \$42,048, registered on title by Indcom Leasing Inc. on July 31, 2014 as Instrument No. AT3650276.

Schedule "C"
Sales Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.
2. Advertisement. Not later than five (5) Business Days after the Stalking Horse Approval Order is granted, the Vendor shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition).
3. Due Diligence. Not later than five (5) Business Days after the Stalking Horse Approval Order is granted, the Vendor shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Property must be submitted in writing to and received by the Vendor at Suite 1600, 150 York Street, Toronto, ON M5H 3S5, attention: Hylton Levy by 5:00 p.m. (Toronto time) on the twenty-fifth (25th) Business Day after the Stalking Horse Approval Order is granted (the "**Bid Deadline**").
5. Qualified Bid. The Vendor in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - iii. the offer must be accompanied by a deposit in the form of bank draft or certified cheque payable to the Vendor which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - iv. the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
 - v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement;

- vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;
 - vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
 - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Vendor receives two or more Qualified Bids by the Bid Deadline, the Vendor shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids to attend an auction (the "**Auction**"), but shall not extend any such invitation to the Purchaser. The Auction shall be held at 10:00 a.m. (Toronto time) on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Vendor may in its sole discretion designate) at the offices of the Vendor.
 7. Conduct of the Auction. The Vendor shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$50,000, or such other amount as the Vendor determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Vendor in its sole discretion.
 8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Vendor shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
 9. Court Approval of the Winning Bid. The Vendor shall make a motion to the Court to obtain approval of the Winning Bid and an approval and vesting order as expeditiously as possible after the Auction.
 10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendor shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement.
 11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Vendor until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Winning Bid, the Vendor shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the

“**Winning Bidder**”) forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Vendor shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Vendor as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Vendor shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.

12. Modifications. Subject to the Sales Process Order, the Vendor shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

Tab G

**PEMBROKE RESIDENCE LTD.
DECEMBER 19, 2014
PROPOSED SALES PROCESS TIMELINE**

17 Oct-14	<ul style="list-style-type: none"> • Court appointment of Receiver
17-Oct-14 to 8-Jan-15	<ul style="list-style-type: none"> • Receiver to take possession of the financial records and assist the operations manager with any operational issues • Prepare data and financial information in preparation of the data room
8-Jan-15	<ul style="list-style-type: none"> • Approval of Sales Process (as detailed below)
9-Jan-15	<ul style="list-style-type: none"> • Teaser to be finalized and sent to interested parties list • Terms and conditions of sale to be finalized • Non-disclosure agreement to be finalized
9-Jan-15	<ul style="list-style-type: none"> • Newspaper ads to be drafted and sent for publishing
12-Jan-15	<ul style="list-style-type: none"> • Information pertaining to this opportunity will be posted on IR's website, www.farberfinancial.com, which will include: <ul style="list-style-type: none"> ○ Invitation for offers to purchase the assets/shares on a going concern basis. ○ Terms and conditions of sale ○ Non-disclosure agreement
12-Jan-15 to 14-Jan-15	<ul style="list-style-type: none"> • Advertisement (in Globe and Mail) – will be on either the 12th, 13th or 14th
12-Jan-15 to 10-Feb-15	<ul style="list-style-type: none"> • Parties given access to data room and an opportunity to conduct site visits <ul style="list-style-type: none"> ○ Financial Statements ○ Property information ○ Other pertinent information to conduct due diligence
10-Feb-15	<ul style="list-style-type: none"> • 5:00 p.m. (E.D.T.) deadline for submissions of offers
12-Feb-15 to 13-Feb-15	<ul style="list-style-type: none"> • Farber evaluates offer received • Possible invitation to qualifying bidders to attend auction at Farber offices, if necessary or desired
18-Feb-15	<ul style="list-style-type: none"> • Possible Auction Day, if deemed appropriate or necessary
18-Feb-15	<ul style="list-style-type: none"> • Offer Selected, if no auction
19-Feb-15	<ul style="list-style-type: none"> • Farber to notify rejected Offeror's of unaccepted bids and return deposits
25-Feb-2015	<ul style="list-style-type: none"> • Motion to be heard by the Court to obtain approval and vesting order re: Court approval of Successful Offer • Approval and Vesting Order to be granted
TBD	<ul style="list-style-type: none"> • Farber to close the Successful Offer at the offices of its legal counsel (the "Closing") • The Closing timeline will be determined based on the accepted Offer – ie. land development deal or sale of business as going concern

Tab H

**CONFIDENTIAL APPRAISAL
OF CUSHMAN & WAKEFIELD**

FILED SEPARATELY

HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**MOTION RECORD
(returnable January 8, 2015)**

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