

Appendix I

David P. Preger

From: cocov@rogers.com
Sent: Saturday, November 14, 2015 1:44 PM
To: David P. Preger
Cc: Arkadi Bouchelev; Christina E. Corrente
Subject: Romspen disclosure

Hi David,

The disclosure of the advances that you sent on September 22 is incomplete. I have been waiting for further disclosure from Rompsen and Garfinkle Biderman that I requested at the August 27, 2015 meeting and in my emails prior to that. The following issues remain outstanding, which we hope can be resolved before the court attendance on November 24:

1. We need to see the balance of the funds released from Garfinkel Biderman's trust account.
2. The first draw lender's fee of 2% on \$4 Million should be \$80,000. Why did we get charged \$117,000 in fees?
3. The third draw shows the loan facility remaining at \$11,924,835.44. When Romspen received back the \$500,000 it gave to the Town of Midland as a landscaping deposit, it should have deducted from the balance owing, and no further deposit charges of \$500,000 or interest should have been accrued on such amounts.
4. The fourth draw administration fee is shown as \$2,000, although it is normally \$1,000 as per the loan agreement, it also shows a Lenders fee of \$17,000 and \$3,806.01. Where is the \$17,000 fee provided for in the loan agreement? Also, what is the justification for legal fees of \$5,000? Isn't it normally \$1,000 per draw as a legal fee of \$29,000 was charged to set up the loan?
5. The fifth draw shows a Lenders fee \$275,000 and an administration \$2,500? Where is this provided for in the loan agreement?
6. We need to know why excessive fees were charged beyond the contractual 2%?

7. What happened to the construction lien funds? How were those funds disbursed?

The statements provided are only the Romspen statements. We need to see how Garfinkel disbursed the net funds they received from Romspen and find out if there are additional fees charged again for the same funds.

Thanks,

Zoran

David P. Preger

From: David P. Preger
Sent: Wednesday, November 18, 2015 2:42 PM
To: 'Zoran Cocov'
Cc: arkadi@bouchelevlaw.com; 'Jeffrey Kaufman'; brosen@rosengoldberg.com; Lisa S. Corne; 'Eric Golden'; 'Blake Cassidy'; 'Mary Gianfriddo'
Subject: In the Matter of the Receivership of the Assets of 6711162 Ontario Inc. et al.
Attachments: img-Y18143147-0001.pdf

Zoran,

Further to your email of November 12, 2015, we have now received Garfinkle Biderman LLP's trust account records and have cross-referenced them to Romspen's advance statements. Please see attached.

Date: Nov 16, 2015

Garfinkle, Biderman LLP
Billing Statement to Nov 16/15 requested by BMP

Page: 1

Bill #: _____

Client
 3739 6711162 Canada Inc. & 1794247 On
 c/o Anderson and Wyld
 401 Bay Street, Suite 2112, P.
 Toronto ON M4H 2Y4
 Client Lawyer: B.M. Polisuk

File
 3739054 L/T 6711162 Canada Inc. & 1794247
 Ontario Inc. (115 Real Estate - No Levy)
 TAXABLE - Ontario
 Responsible Lawyer: B.M. Polisuk
 Assigned Lawyer: B.M. Polisuk
 Staff Lawyer: Helen C.

Total unbilled Time & Taxes 22.75

UNBILLED DISBURSEMENTS

Date	Cd	Description/Payer	Refer#	Amount	Lawyer	Audit
Jun 14/12	26	Teranet Searches - Taxable Teraview	141009	8.00		S141009
Jun 15/12	26	Teranet Searches - Taxable Teraview	142003	97.00		S142003
Jun 15/12	39	Sheriff Fees & Certificates - Taxable Teraview	142004	70.00		S142004
Total unbilled Disbursements				175.00		
HST on 175.00 @ 13%				22.75		
Total unbilled disbursements & taxes				197.75		

TRUST ACCOUNT

Date	CD	Description/Payer	Refer#	Amount	Lawyer	Audit	Due/Rel Date	Transaction Type	Running Total
Aug 22/11	RZ	Trust Receipt-TD Trust (2011) HSBC Bank of Canada	193001	3,541,675.59-		R193001	Aug 22/11	Bank draft	3,541,675.59-
Aug 22/11	WZ	Trust Cheque-TD Trust (2011) Anderson and Wyld in Trust	2225	3,511,317.19-	15 BMP	T163011			30,358.40-
Aug 22/11	WZ	Trust Cheque-TD Trust (2011) Proincon Professional Insurance Company	2226	904.00	15 BMP	T163012			29,454.40-
Aug 22/11	WZ	Trust Cheque-TD Trust (2011) First American Title Insurance Company	2227	10,454.40	15 BMP	T163013			19,000.00-
Aug 30/11	RZ	Trust Receipt-TD Trust (2011) PAY ACCOUNTS	199015	19,000.00	BMP	R199015	Aug 30/11	Interbank Transfer	.00
Sep 12/11	WZ	Trust Cheque-TD Trust (2011) Cancel/Adjust (Proincon Professional Insurance Company)	2226	904.00-	15 BMP	T177027			904.00-
Sep 29/11	RZ	Trust Receipt-TD Trust (2011) PAY ACCOUNTS	224022	304.00	BMP	R224022	Sep 29/11	Interbank Transfer	600.00-
Oct 07/11	RZ	Trust Receipt-TD Trust (2011) HSBC Draft	232036	150,425.00-	BMP	R232036	Oct 07/11	Bank draft	151,025.00-
Oct 07/11	WZ	Trust Cheque-TD Trust (2011) Andrew Pcnuvchev	2844	150,000.00	15 BMP	T196026			1,025.00-
Mar 28/12	RZ	Trust Receipt-TD Trust (2011) PAY ACCOUNTS	67015	1,025.00	BMP	R 67015	Mar 28/12	Interbank Transfer	.00
Jun 15/12	RZ	Trust Receipt-TD Trust (2011) HSBC Draft	134012	455,000.00-	BMP	R134012	Jun 15/12	Bank draft	455,000.00-
Jun 15/12	T1	Trust Tsf Between Matters Tsf fr 3739054 to 3739059	48001	455,000.00	BMP	F 48001		Transfer to 3739059	.00
		Bank 14002 Bank - Trust 5260596 (2011) Trust in		4,148,004.59-		Trust out	4,148,004.59	Balance	.00
Total Trust Balance									.00

ACCOUNTS RECEIVABLE

Bill#	Date	Cd	Lawyr	Orig. Bill Amount	Billed Disbs.	Billed Taxes	Billed Fees	Unpaid Disbs.	Unpaid Fees	Payments	Balance	Audit	Received From/ Description
5928	Mar 28/12	P	15	1025.00	307.08	117.92	600.00	.00	.00		.00	B134017	
5928	Mar 28/12	R								1025.00-	.00	C 66014	Pay Accounts
3140	Aug 30/11	P	15	19304.00	2120.00	2184.00	15000.00	.00	.00		.00	B332022	
3140	Aug 30/11	R								19000.00-	.00	C185005	Pay Accounts
3140	Sep 29/11	R								304.00-	.00	C206008	Pay Accounts



Draft Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Alai Soory
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R11 - 84
Date: August 19, 2011

RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. & 1794247 Ontario Inc.

First Mortgage:

5781-5819 Rama Road, Township of Ramara, Ontario
4243 Hopkins Bay Road, Township of Ramara, Ontario
4285 Hopkins Bay Road, Township of Ramara, Ontario

Second Mortgage

4271-4275 Hopkins Bay Road, Township of Ramara, Ontario

Amount of first advance	\$	4,000,000.00	
Judgement Holdback		150,000.00	
Net First Advance on August 19, 2011			<u>\$ 3,850,000.00</u>
Received Standby Deposit			30,000.00
Deductions			
Promissory Note, dated August 17, 2011	200,000.00		
Accrued Interest - August 17th to August 19th (2 days)	115.07		
Administration / Advance Fees	5,000.00		
Paid to our inspection expenses, incl. HST	907.39		
Lender's Fee	117,000.00		
Interest withheld on \$3,850,000 at 10.50% p.a. from August 19th to September 1, 2011 (13 days)	14,397.95		
Paid -Insurance Risk Management Fee Proincon Limited, incl. HST, Invoice #	904.00		
Legal Fees Garfinkle, Biderman LLP (Includes title Insurance)	<u>29,500.00</u>		
	387,824.41		
BALANCE DUE YOU paid to Garfinkle, Biderman LLP in trust, as directed	3,512,175.59	✓	
	<u>\$ 3,880,000.00</u>		<u>\$ 3,880,000.00</u>

THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Bonnie Boweman
MK/BS
E. & O. E.

GST REGISTRATION #R136897494RT0001



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Altaf Soory
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R11 - 98
Date: October 7, 2011

RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. & 1794247 Ontario Inc.

First Mortgage:

5781-5819 Rama Road, Township of Ramara, Ontario
4243 Hopkins Bay Road, Township of Ramara, Ontario
4285 Hopkins Bay Road, Township of Ramara, Ontario

Second Mortgage

4271-4275 Hopkins Bay Road, Township of Ramara, Ontario

Loan Facility

Total Loan Facility	\$ 16,000,000.00	
Less Amount Advanced to Date:		
First Advance	3,850,000.00	
Amount Remaining in Loan Facility	<u>\$ 12,150,000.00</u>	

Second Advance on October 6th, 2011

Amount for judgement	\$ 150,000.00	
Interest, fees and transaction costs	<u>75,164.56</u>	\$ 225,164.56

Deductions

Administration / Advance Fees	1,000.00
Lender's Fee	4,503.29
Interest paid on \$3,850,000 at 10.50% p.a. from September 1st to October 7th, 2011 (35 days)	39,928.56
Interest withheld on \$4,075,164.56 at 10.50% p.a. from October 7th to November 1st, 2011 (25 days)	29,307.89
Legal Fees Garfinkle, Biderman LLP	<u>425.00</u>
	75,164.56

BALANCE DUE YOU paid to
Garfinkle, Biderman LLP in trust, as directed

150,000.00

\$ 225,164.56

\$ 225,164.56

THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Blake Cassidy
MK/BC
E. & O. E.

GST REGISTRATION #R135897494RT0001



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Alaf Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R12-07
Date: January 17, 2012

RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. & 1794247 Ontario Inc.

First Mortgage:

5781-5819 Rama Road, Township of Ramara, Ontario
4243 Hopkins Bay Road, Township of Ramara, Ontario
4285 Hopkins Bay Road, Township of Ramara, Ontario

Second Mortgage

4271-4275 Hopkins Bay Road, Township of Ramara, Ontario

Loan Facility

Total Loan Facility \$ 16,000,000.00

Amount Remaining In Loan Facility 11,924,835.44

Third Advance

\$ 94,244.65

Deductions

Administration / Advance Fees \$ 1,000.00

Lender's Fee 1,884.89

Paid to RIC
search and PPSA costs 500.00

Interest accrued and paid at 10.50% p.a.
from November 1st, 2011 to January 17th, 2012 (77 days) 90,859.76

\$ 94,244.65

\$ 94,244.65

THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION

Per:

Blair Martin/Bonnie Bowerman
MK/BM/BB
E. & O. E.

GST REGISTRATION #R135897494RT0001

162 Cumberland Street, Suite 300 • Toronto, Ontario M5R 3N5 • T: 416-966-1100 • F: 416-966-1181 • www.romspen.com

*Note: Not through
trust account of GB.
Advanced initially.*



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
 Mr. Zoran Covic
 Mr. Alaf Soory
 12 Regentview Drive
 Brampton, ON L6G 3Z2

Mortgage No. 6110
 R12-100
 Date: June 14, 2012

RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. & 1794247 Ontario Inc.

First Mortgage:

5761-5819 Rama Road, Township of Ramara, Ontario
 4243 Hopkins Bay Road, Township of Ramara, Ontario
 4285 Hopkins Bay Road, Township of Ramara, Ontario
 5638 Willison Bideroad, Township of Ramara, Ontario

Second Mortgage

4271-4275 Hopkins Bay Road, Township of Ramara, Ontario
 64 Laguna Drive, Brachin, Ontario

Loan Facility

Total Loan Facility	\$ 16,000,000.00
Advanced to Date:	\$ 4,169,409.21
Amount Remaining in Loan Facility	<u>11,830,590.79</u>

Fourth Advance \$ 660,300.41

Deductions

Administration / Advance Fees (as per Supplement No. 1)	\$ 2,000.00
Lender's Fee (2% on Interest Reserve Advance)	3,806.01
Lender's Fee (as per Supplement No. 1)	17,000.00
Lender's Termet Search Fee	196.92
Holdback to Pay Insurance Review Fee (Princom)	1,000.00
Interest accrued and paid at 10.50% p.a. on Principal Balance of \$4,169,409.21 from January 17, 2012 to June 14, 2012 (149 days)	181,297.46
Paid to Legal Fees (Garfinkle Bideman)	5,000.00
	<u>\$ 210,300.41</u>

BALANCE DUE YOU paid to
 Garfinkle Bideman in trust, as directed 450,000.00 ✓

<u>\$ 660,300.41</u>	<u>\$ 660,300.41</u>
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THIS IS OUR ACCOUNT HEREIN
 ROMSPEN INVESTMENT CORPORATION
 Per:

Dana Martin
 RMR/BM
 E. & O. E.

GST REGISTRATION #R135897494RT0001

162 Cumberland Street, Suite 300 • Toronto, Ontario M5R 3N5 • T: 416-855-1100 • F: 416-966-1161 • www.romspen.com

Solicitors to Receive:

Legal Fees	\$ 5,000.00
Balance Due	\$ 450,000.00
TOTAL WIRE TO SOLICITORS	<u>\$ 455,000.00</u>

(Garfinkle, Bideman, In Trust)

Date: Nov 16, 2015

Garfinkle, Biderman LLP
Billine Statement to Nov 16/15 requested by BMP

Page: 1

Bill #: _____

Client
 3739 671162 Canada Inc. & 1794247 On
 c/o George T. Snowden, Barrist
 195 County Court Blvd., Suite
 Brampton ON L6W 4P7
 Client Lawyer: B.M. Polisuk

File
 3739062 LT 671162 Canada Inc. & 1794247 Ontario
 Inc. - Supplement # 2 (115 Real Estate - No Levy)
 TAXABLE - Ontario
 Responsible Lawyer: B.M. Polisuk
 Assigned Lawyer: B.M. Polisuk
 Staff Lawyrc: Oxana M.

Total unbilled Time & Taxes 5.90

UNBILLED DISBURSEMENTS

Date	Qd Description/Payee	Refer#	Amount	Lawyer	Audit
Feb 10/14	74 Xerox	27003	32.75		S 27003
Feb 12/14	74 Xerox	29005	2.75		S 29005
Feb 13/14	2 Courier Charge B-02/12 162 Cumberland Street	30014	9.90		S 30014
Total unbilled Disbursements			45.40		
HST on 45.40 @ 13%			5.90		
Total unbilled disbursements & taxes			51.30		

TRUST ACCOUNT

Date	Qd Description/Payee	Refer#	Amount	Lawyer	Audit	Due/Rel Date	Transaction Type	Running Total
Oct 16/12	R0 Trust Receipt - TD Trust Romspen Mtge Bkr Trust	243007	3,829,749.13-	✓	R243007	Oct 16/12	Wire Transfer	3,829,749.13-
Oct 16/12	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / Tsf fr acct#0495333 to acct#5260596	13726	3,829,749.13	15 BMP	T204011			.00
May 14/13	R0 Trust Receipt - TD Trust Romspen / mortgage	107015	260,189.89-	✓ BMP	R107015	May 14/13	Direct Deposit	260,189.89-
May 14/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	13964	260,189.89	15 BMP	T 93011			.00
Jun 13/13	R0 Trust Receipt - TD Trust Romspen Mortgage / loan advance	129016	250,640.01-	✓ BMP	R129016	Jun 13/13	Wire Transfer	250,640.01-
Jun 13/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	13999	250,640.01	15 BMP	T113024			.00
Jun 14/13	R0 Trust Receipt - TD Trust Romspen Mortgage / advance	130025	150,293.85-	✓ BMP	R130025	Jun 14/13	Wire Transfer	150,293.85-
Jun 14/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	14003	150,293.85	15 BMP	T114017			.00
Jul 19/13	R0 Trust Receipt - TD Trust Romspen Mortgage Bkr Trust / Mortgage advance	165021	192,608.00-	✓ BMP	R165021	Jul 19/13	Wire Transfer	192,608.00-
Jul 24/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / Tsf fr acct#0495333 to acct#5260596	14062	192,608.00	15 BMP	T142003			.00
Aug 07/13	R0 Trust Receipt - TD Trust Romspen / mortgage	181022	535,635.05-	✓ BMP	R181022	Aug 07/13	Wire Transfer	535,635.05-
Aug 07/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	14084	535,635.05	15 BMP	T151016			.00
Sep 12/13	R0 Trust Receipt - TD Trust Romspen Mortgage Broker Trust / loan advance	213015	419,140.03-	✓ BMP	R213015	Sep 12/13	Wire Transfer	419,140.03-
Sep 12/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	14124	419,140.03	15 BMP	T176010			.00
Oct 16/13	R0 Trust Receipt - TD Trust Romspen Mortgage Broker Trust / loan advance	240008	260,846.05-	✓ BMP	R240008	Oct 16/13	Wire Transfer	260,846.05-
Oct 16/13	W0 Trust Cheque TD Trust Garfinkle Biderman LLP, in Trust / tsf fr acct#0495333 to acct#5260596	14159	260,846.05	15 BMP	T199007			.00
Bank 14001	Bank - Trust TD 0495333	Trust in	5,899,102.01-	Trust out	5,899,102.01		Balance	.00

November 18, 2015 9:37 am



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Allaf Soory
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 266
October 16, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility	
Total Loan Facility	\$ 16,000,000.00
Principal Balance Outstanding	10,840,026.28
Balance o/s on LC facility	500,000.00
Construction Lien Holdback	<u>90,133.03</u>
Balance to Advance	4,569,840.69

Construction Lien Holdback Release \$ -

Advance #12

Gross Advance	400,260.01	
Construction Lien Holdback	<u>\$ 24,434.47</u>	
Net Advance		375,825.54

Deductions

PAID Lender Advance Fees	\$	1,500.00
PAID to O'Keefe and Associates Limited, re Invoice #9856		2,452.10
PAID to Garfinkle Biderman LLP, legal fee re this and prior advances		4,284.32
PAID interest accrued at 10.5% p.a., from Sep. 12 to Oct. 16, 2013		111,027.39

BALANCE DUE YOU paid to
Garfinkle Biderman LLP in trust, as directed 256,561.73 ✓

<u>\$ 375,825.54</u>	<u>\$ 375,825.54</u>
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THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Blair Martin
/s/
E. & O. E.

HST REGISTRATION #R135897494RT0001



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Alif Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 69
May 14, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility	
Total Loan Facility	\$ 16,000,000.00
Principal Balance Outstanding	8,115,417.11
Balance o/s on LC facility	<u>500,000.00</u>
Balance to Advance	7,384,582.89

Advance #6

Gross Advance	883,614.07	
Construction Lien Holdback	<u>\$ 78,930.74</u>	
Net Advance		\$ 804,683.33

Deductions

PAID Lender Advance Fees	\$	1,500.00
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated		1,000.00
PAID Interest accrued at 10.5% p.a., from Oct. 16, 2012 to May 14, 2013		533,696.86
PAID to O'Keefe and Associates Limited, re Invoice #9565		9,296.58

BALANCE DUE YOU paid to
Garfinkle Biderman LLP in trust, as directed 259,189.89 ✓

<u>\$ 804,683.33</u>	<u>\$ 804,683.33</u>
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**THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION**
Per:

Blair Martin
/s/
E. & O. E.

HST REGISTRATION #R135897494RT0001



Advance Statement

6711182 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Altaf Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 129
June 13, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility	
Total Loan Facility	\$ 16,000,000.00
Principal Balance Outstanding	8,920,100.44
Balance o/s on LC facility	500,000.00
Construction Lien Holdback	<u>78,930.74</u>
Balance to Advance	6,500,968.82

Advance #7

Gross Advance	370,653.43	
Construction Lien Holdback	<u>\$ 32,300.84</u>	
Net Advance		\$ 338,352.59

Deductions

PAID Lender Advance Fees	\$ 1,500.00
PAID our inspection expenses	209.14
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated	1,000.00
PAID interest accrued at 10.5% p.a., from May 14 to June 13, 2013	81,296.76
PAID to O'Keefe and Associates Limited, re Invoices #9642 and #9682	4,706.68

BALANCE DUE YOU paid to Garfinkle Biderman LLP in trust, as directed 249,640.01 ✓

<u>\$ 338,352.59</u>	<u>\$ 338,352.59</u>
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THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Blair Mordin
E. & O. E.

HST REGISTRATION #R135897494RT0001



REVISED Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Altaf Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 145
June-14-13

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility

Total Loan Facility	\$	16,000,000.00
Principal Balance Outstanding		9,258,453.03
Balance o/s on LC facility		500,000.00
Construction Lien Holdback		111,231.58
Balance to Advance		<u>6,130,315.39</u>

Advance #8 \$ 154,601.08

Gross Advance	\$	154,601.08
Construction Lien Holdback		
Net Advance	\$	<u>154,601.08</u>

Deductions

PAID Lender Advance Fees	\$	1,500.00
PAID our inspection expenses		
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated		1,000.00
PAID Interest accrued at 10.5% p.a., from June 13 to June 14, 2013		2,807.23
PAID to O'Keefe and Associates Limited, re Invoices #9642 and #9682		

BALANCE DUE YOU paid to 149,293.85 ✓
Garfinkle Biderman LLP in trust, as directed

<u>\$ 154,601.08</u>	*	<u>\$ 154,601.08</u>
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**THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:**


Blair Martin
/s/Blair
E. & O. E.

HST REGISTRATION #R135887494RT0001



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Alaf Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 115
July 19, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages In Ramara, Midland and Cambridge**

Loan Facility	
Total Loan Facility	\$ 16,000,000.00
Principal Balance Outstanding	9,413,064.11
Balance o/s on LC facility	500,000.00
Construction Lien Holdback	<u>111,231.58</u>
Balance to Advance	5,975,714.31

Advance #9

Gross Advance	319,025.81	
Construction Lien Holdback	<u>\$ 24,985.24</u>	
Net Advance		\$ 294,040.57

Deductions

PAID Lender Advance Fees	\$ 1,500.00
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated	1,000.00
PAID interest accrued at 10.5% p.a., from June 14 to July 19, 2013	99,932.57

BALANCE DUE YOU paid to
Garfinkle Biderman LLP in trust, as directed 191,608.00 ✓

<u>\$ 294,040.57</u>	<u>\$ 294,040.57</u>
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THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Blair Martin
/s/
E. & O. E.

HST REGISTRATION #R135897494RT0001



Advance Statement

6711162 Canada Inc. & 1784247 Ontario Inc.
Mr. Zoran Cocov
Mr. Altaf Soorty
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 195
August 7, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility

Total Loan Facility	\$ 16,000,000.00
Principal Balance Outstanding	9,413,054.11
Balance o/s on LC facility	500,000.00
Construction Lien Holdback	<u>138,218.82</u>
Balance to Advance	5,950,729.08

Construction Lien Holdback Release \$ 121,218.82

Advance #10

Gross Advance	511,639.01	
Construction Lien Holdback	<u>\$ 37,479.20</u>	
Net Advance		474,159.81

Deductions

PAID Lender Advance Fees	\$ 1,500.00
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated	1,000.00
PAID interest accrued at 10.5% p.a., from July 19 to Aug. 7, 2013	55,789.48
PAID to O'Keefe & Associates Limited, re Invoice #9732	2,452.10

BALANCE DUE YOU paid to Garfinkle Biderman LLP in trust, as directed 534,635.05 ✓

<u>\$ 696,376.63</u>	<u>\$ 596,376.63</u>
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THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:


Blair Martin
/s/
E. & O. E.

HST REGISTRATION #R135897494RT0001



Advance Statement

6711162 Canada Inc. & 1794247 Ontario Inc.
Mr. Zoran Cocov
Mr. Alaf Soory
12 Regentview Drive
Brampton, ON L6G 3Z2

Mortgage No. 8110
R13 - 230
September 12, 2013

**RE: Romspen Investment Corporation As Trustee and 6711162 Canada Inc. et al.
First and Second Mortgages in Ramara, Midland and Cambridge**

Loan Facility

Total Loan Facility	\$	18,000,000.00
Principal Balance Outstanding		10,302,471.31
Balance o/s on LC facility		500,000.00
Construction Lien Holdback		52,479.20
Balance to Advance		<u>5,145,049.49</u>

Construction Lien Holdback Release

\$ -

Advance #11

Gross Advance		575,208.80	
Construction Lien Holdback	\$	<u>37,653.83</u>	
Net Advance			537,554.97

Deductions

PAID Lender Advance Fees	\$	1,500.00	
PAID to Garfinkle Biderman LLP, legal fee and disbursements re this advance, estimated		1,000.00	
PAID Interest accrued at 10.5% p.a., from Aug. 7 to Sep. 12, 2013		112,010.74	
PAID to O'Keefe & Associates Limited, re Invoices #9760 and #9809		4,904.20	
BALANCE DUE YOU paid to Garfinkle Biderman LLP in trust, as directed		418,140.03 ✓	
	\$	<u>637,554.97</u>	\$ <u>637,554.97</u>

THIS IS OUR ACCOUNT HEREIN
ROMSPEN INVESTMENT CORPORATION
Per:

Blair Martin
/s/
E. & O. E.

HST REGISTRATION #R135897484RT0001

David P. Preger

From: David P. Preger
Sent: Wednesday, November 18, 2015 2:52 PM
To: 'Zoran Cocov'
Cc: 'arkadi@bouchelevlaw.com'; 'Jeffrey Kaufman'; 'brosen@rosengoldberg.com'; Lisa S. Corne; 'Eric Golden'; 'Blake Cassidy'; 'Mary Gianfriddo'
Subject: In the Matter of the Receivership of the Assets of 6711162 Ontario Inc. et al.
Attachments: Scanned from TOp34Copy.pdf

Zoran,

I am now attaching copies of the accounts of Garfinkle Biderman LLP in connection with the loan facility and the advances made.

6711162 Canada Inc. & 1794247 Ontario Inc.
c/o Anderson and Wyld
Barristers & Solicitors
401 Bay Street, Suite 2112
P.O. Box 22
Toronto, Ontario
M5H 2Y4

August 29, 2011

Re: Romspen Investment Corporation loan to 6711162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction including: to receiving instructions from the lender; to performing searches and reviewing same; to preparation of all documents relating to the lender security; to registration of such security; to reporting to the lender; and to matters necessary and incidental thereto:

OUR FEE HEREIN	\$15,000.00
H.S.T. on \$15,000.00 x 13%	\$1,950.00

DISBURSEMENTS:

Courier Charge	\$16.50	
Teranet Searches	\$259.00	
Sheriff Fees & Certificates	\$56.00	
Searches – PPSA/Filing Fees	\$1,049.00	
Long Distance & Fax	\$26.00	
Xerox	\$248.50	
Postage/Email Charges	\$25.00	
Teraview Registrations	\$420.00	\$2,120.00
H.S.T. on \$1,800.00 x 13%		\$234.00

Total Fees	\$15,000.00
Total Disbursements	\$2,120.00
Total H.S.T.	\$2,184.00
Total Fees, Disbursements and H.S.T.	\$19,304.00
Transferred From Trust	\$19,000.00
Balance Due	\$304.00

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GARFINKLE BIDERMAN LLP

Barry M. Polisuk

BMP/hc
E. & O.E.
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6711162 Canada Inc. & 1794247 Ontario Inc.
c/o Anderson and Wylde
Barristers & Solicitors
401 Bay Street, Suite 2112
P.O. Box 22
Toronto, Ontario
M5H 2Y4

Attention: Terry K. Anderson

March 28, 2012

Re: Romspen Investment Corporation loan to 6711162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction including: to performing sub-searches and reviewing same; to disbursement of funds on October 7, 2011; and to matters necessary and incidental thereto:

OUR FEE HEREIN		\$600.00
H.S.T. on \$600.00 x 13%		\$78.00
DISBURSEMENTS:		
Courier Charge	\$17.60	
Teranet Searches	\$94.00	
Sheriff Fees & Certificates	\$104.00	
Long Distance & Fax	\$9.25	
Xerox	\$82.23	\$307.08
H.S.T. on \$307.08 x 13%		\$39.92
Total Fees		\$600.00
Total Disbursements		\$307.08
Total H.S.T.		\$117.92
Total Fees, Disbursements and H.S.T.		\$1,025.00
Transferred From Trust		\$1,025.00

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GARFINKLE BIDERMAN LLP

Barry M. Polisuk

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Scugog River Developments Inc. & 1026517 Ontario Limited
c/o Anderson and Wyld
Barristers and Solicitors
401 Bay Street, Suite 2112
P.O. Box 22
Toronto, Ontario
M5H 2Y4

Attention: Terry K. Anderson

April 26, 2012

Re: Romspen Investment Corporation mortgage loan to Scugog River Developments Inc. & 1026517 Ontario Limited

TO OUR FEE for all services rendered with the above-mentioned loan transaction including: to receiving instructions from the lender; to performing searches and reviewing same; to preparation of all documents relating to the lender security; to registration of such security; to reporting to the lender; and to matters necessary and incidental thereto:

OUR FEE HEREIN	\$10,000.00
H.S.T. on \$10,000.00 x 13%	\$1,300.00

DISBURSEMENTS:

Courier Charge	\$29.70	
Clearances – Real Estate	\$50.00	
Teranet Searches	\$339.50	
Sheriff Fees & Certificate	\$112.00	
Conveyancer Fees	\$20.00	
Searches – PPSA/Filing Fees	\$1,195.00	
Xerox	\$469.25	
Postage/Email Charges	\$25.00	
Teraview Registrations	\$140.00	\$2,380.45

H.S.T. on \$2,188.45 x 13%	\$284.50
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Total Fees	\$10,000.00
Total Disbursements	\$2,380.45
Total H.S.T.	\$1,584.50

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Total Fees, Disbursements and H.S.T.	\$13,964.95
Transferred From Trust	\$13,344.72
Balance Due	\$620.23

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GARFINKLE BIDERMAN LLP

Barry M. Polisuk

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Casino R. V Resorts Inc.
c/o Anderson and Wylde
Barristers & Solicitors
401 Bay Street, Suite 2112
P.O. Box 22
Toronto, Ontario
M5H 2Y4

Attention: Terry K. Anderson

June 27, 2012

Re: Romspen Investment Corporation mortgage loan to Casino R. V Resorts Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction including: to receiving instructions from the lender; to performing searches and reviewing same; to preparation of all documents relating to the lender security; to registration of such security; to reporting to the lender; and to matters necessary and incidental thereto:

*Denotes tax exemption

OUR FEE HEREIN	\$2,500.00
H.S.T. on \$2,500.00 x 13%	\$325.00

DISBURSEMENTS:

Courier Charge	\$59.40	
Teranet Searches	\$289.00	
Sheriff Fees & Certificates	\$139.00	
Government Fees*	\$32.00	
Searches -- PPSA/Filing Fees	\$278.00	
Conveyancer Fees	\$40.00	
Xerox	\$299.80	
Postage/Email Charges	\$25.00	
Teraview Registrations	\$210.00	\$1,372.20

H.S.T. on \$1,340.20 x 13%	\$174.23
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Total Fees	\$2,500.00
Total Disbursements	\$1,372.20
Total H.S.T.	\$499.23

Total Fees, Disbursements and H.S.T.	\$4,371.43
Transferred From Trust	\$4,371.43

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Barry M. Polisuk

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671162 Canada Inc. & 1794247 Ontario Inc.
c/o George T. Snowdon
Barrister and Solicitor
195 County Court Boulevard, Suite 301
Brampton, Ontario
L6W 4P7

October 29, 2012

Re: Romspen Investment Corporation loan to 671162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction including: to receiving instructions from the lender; to performing searches and reviewing same; to preparation of all documents relating to the lender security; to registration of such security; to reporting to the lender; and to matters necessary and incidental thereto:

*Denotes tax exemption.

OUR FEE HEREIN		\$18,500.00
H.S.T. on \$18,500.00 x 13%		\$2,405.00
DISBURSEMENTS:		
Courier Charge	\$149.12	
Clearances – Real Estate	\$350.00	
Teranet Searches	\$940.50	
Sheriff Fees & Certificates	\$252.00	
Government Fees*	\$152.00	
Conveyancer Fees	\$20.00	
Searches – PPSA/Filing Fees	\$1,056.00	
Client – Other Expense (Incoming Wire Charge)*	\$5.00	
Long Distance & Fax	\$11.22	
Xerox	\$317.50	
Postage/Email Charges	\$25.00	
Teraview Registration	\$700.00	\$3,978.34
H.S.T. on \$3,821.34 x 13%		\$496.77
Total Fees		\$18,500.00
Total Disbursements		\$3,978.34
Total H.S.T.		\$2,901.77
Total Fees, Disbursements and H.S.T.		\$25,380.11
Transferred From Trust		\$25,236.17
Balance Due		\$143.94

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Barry M. Polisuk

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Scugog River Developments Inc. & 1026517 Ontario Limited
c/o Anderson and Wyde
Barristers and Solicitors
401 Bay Street, Suite 2112
P.O. Box 22
Toronto, Ontario
M5H 2Y4

Attention: Terry K. Anderson

April 24, 2013

Re: Romspen Investment Corporation mortgage loan to Scugog River Developments Inc. & 1026517 Ontario Limited

TO OUR FEE for all services rendered with the above-mentioned loan transaction pertaining to the postponement of interest:

OUR FEE HEREIN		\$450.00
H.S.T. on \$450.00 x 13%		\$58.50
DISBURSEMENTS:		
Courier Charge	\$14.62	
Teranet Searches	\$3.00	
Long Distance & Fax	\$1.38	
Xerox	\$31.00	\$50.00
H.S.T. on \$50.00 x 13%		\$6.50
Total Fees		\$450.00
Total Disbursements		\$50.00
Total H.S.T.		\$65.00
Total Fees, Disbursements and H.S.T.		<u>\$565.00</u>
Transferred From Trust		<u>\$565.00</u>

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Barry M. Polisuk

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671162 Canada Inc. & 1794247 Ontario Inc.
c/o George T. Snowden
Barrister and Solicitor
195 County Court Boulevard, Suite 301
Brampton, Ontario
L6W 4P7

June 27, 2013

Re: Romspen Investment Corporation mortgage loan to 671162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction:

*Denotes tax exemption.

OUR FEE HEREIN		\$1,000.00
H.S.T. on \$1,000.00 x 13%		\$130.00
DISBURSEMENTS:		
Courier Charge	\$63.90	
Clearances – Real Estate	\$461.00	
Teranet Searches	\$1,035.00	
Sheriff Fees & Certificates	\$434.00	
Client Other Expense – Incoming Wire Charge*	\$30.00	
Long Distance & Fax	\$21.08	
Xerox	\$0.25	\$2,045.23
H.S.T. on \$2,015.23 x 13%		\$261.98
Total Fees		\$1,000.00
Total Disbursements		\$2,045.23
Total H.S.T.		\$391.98
Total Fees, Disbursements and H.S.T.		\$3,437.21
Transferred From Trust		\$2,716.71
Balance Due		\$720.50

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Barry M. Polisuk

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671162 Canada Inc. & 1794247 Ontario Inc.
c/o George T. Snowdon
Barrister and Solicitor
195 County Court Boulevard, Suite 301
Brampton, Ontario
L6W 4P7

August 16, 2013

Re: Romspen Investment Corporation mortgage loan to 671162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction: to receiving instructions from the lender; to performing sub-searches of title and reviewing same; to disbursement of funds re July 24 and August 7, 2013 advances; to dealing with title issues re construction liens; to reporting to the lender; and to matters necessary and incidental thereto:

*Denotes tax exemption.

OUR FEE HEREIN		\$2,200.00
H.S.T. x 13%		\$286.00
DISBURSEMENTS:		
Courier Charge	\$26.91	
Teranet Searches	\$923.00	
Sheriff Fees & Certificates	\$560.00	
Client Other Expense – Incoming Wire Charge*	\$20.00	
Long Distance & Fax	\$4.74	
Xerox	\$0.50	
		\$1,535.15
H.S.T. x 13%		\$196.97
Total Fees		\$2,200.00
Total Disbursements		\$1,535.15
Total H.S.T.		\$ 482.97
Total Fees, Disbursements and H.S.T.		\$4,218.12
Transferred From Trust		\$2,000.00
Balance Due		\$2,218.12

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GARFINKLE BIDERMAN LLP

Barry M. Pofisuk

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671162 Canada Inc. & 1794247 Ontario Inc.
c/o George T. Snowdon
Barrister and Solicitor
195 County Court Boulevard, Suite 301
Brampton, Ontario
L6W 4P7

October 29, 2013

Re: Romspen Investment Corporation mortgage loan to 671162 Canada Inc. & 1794247 Ontario Inc.

TO OUR FEE for all services rendered with the above-mentioned loan transaction: to receiving instructions from the lender; to performing sub-searches of title and reviewing same; to disbursement of funds re September 12 and October 16, 2013 advances; to dealing with title issues re construction liens; to reporting to the lender; and to matters necessary and incidental thereto:
*Denotes tax exemption.

OUR FEE HEREIN		\$1,000.00
H.S.T. x 13%		\$130.00
DISBURSEMENTS:		
Courier Charge	\$45.24	
Real Estate Clearances	\$261.00	
Teranet Searches	\$618.00	
Sheriff Fees & Certificates	\$280.00	
Client Other Expense – Incoming Wire Charge*	\$35.00	
Long Distance & Fax	\$3.85	
Xerox	\$0.25	
		\$1,243.34
H.S.T. \$1,208.34 x 13%		\$157.08
Total Fees		\$1,000.00
Total Disbursements		\$1,243.34
Total H.S.T.		\$ 287.08
Total Fees, Disbursements and H.S.T.		\$2,530.42
Transferred From Trust		\$2,345.70
Balance Due		\$184.72

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Barry M. Polisuk

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David P. Preger

From: David P. Preger
Sent: Wednesday, November 18, 2015 6:50 PM
To: 'Jeffrey Kaufman'; Zoran Cocov
Cc: arkadi@bouchelevlaw.com; brosen@rosengoldberg.com; Lisa S. Corne; Eric Golden; Blake Cassidy; Mary Gianfriddo; Christina E. Corrente
Subject: RE: In the Matter of the Receivership of the Assets of 6711162 Ontario Inc. et al.
Attachments: TORONTO-#1100167-v1-Replacment_Letter_of_Credit_to_Town_of_Midland.PDF

Jeff and Zoran,

In Romspen to Jeff's email below and Zoran's email of November 14, 2015, Romspen received \$500,000 from Laurentian on February 22, 2013 in connection with the return of the letter credit from the Town of Midland to Laurentian. Romspen had replace that letter of credit with a fresh letter of credit to the Town of Midland, which it did through National Bank on February 11, 2013. See evidence attached.

Internally, Romspen accounted for this by reducing the balance in facility no. 8110 by \$500,000 and opening a separate loan of \$500,000 as facility no. 81101. The overall indebtedness did not change.

From: Jeffrey Kaufman [<mailto:jeffkaufmanlaw@gmail.com>]
Sent: Wednesday, November 18, 2015 3:03 PM
To: David P. Preger
Cc: Zoran Cocov; arkadi@bouchelevlaw.com; brosen@rosengoldberg.com; Lisa S. Corne; Eric Golden; Blake Cassidy; Mary Gianfriddo; Christina E. Corrente
Subject: Re: In the Matter of the Receivership of the Assets of 6711162 Ontario Inc. et al.

Thanks David,

If you are still disputing the bond payment issue, can you please forward ASAP the documentation surrounding the further bond obtained after the Laurentian pay down.

On Wednesday, 18 November 2015, David P. Preger <DPreger@dickinson-wright.com> wrote:
Zoran,

I am now attaching copies of the accounts of Garfinkle Biderman LLP in connection with the loan facility and the advances made.

David P. Preger Partner

Dickinson Wright LLP
199 Bay Street
Suite 2200
Commerce Court West
Toronto ON M5L 1G4

Phone 416-646-4606
Fax 416-865-1398
Email DPreger@dickinsonwright.com

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Jeffrey Kaufman Law
Professional Corporation
15 Prince Arthur Ave., Suite 200
Toronto, ON, M5R 1B2
jeffkaufmanlaw@gmail.com

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BANQUE NATIONALE
DU CANADA

NATIONAL BANK
OF CANADA

Commerce International / International Trade
600, rue De La Gauchetière Ouest, 5^e étage
Montréal, Québec Canada H3B 4L3

Swift - BNCCAMMINT
☎ 514 394-8400 / 1 800 289-1350
☎ 514 394-8443

IRREVOCABLE STANDBY LETTER OF CREDIT

FINANCIAL INSTITUTION Issued on: February 11, 2013
NATIONAL BANK OF CANADA In the amount of: CAD \$500,000.00
International Trade, Toronto Centre
130 King Street West, 4th Floor-Podium
Toronto, Ontario L4R 1J9

ISSUED TO:

The Corporation of the Town of Midland
575 Dominion Avenue
Midland (Ontario) L4R 1R2
(hereinafter called the 'Municipality')

APPLICANT:

HUGEL LOFTS LTD.
67 Groveland Crescent
Brampton, Ontario L6S 1L1

And

MARINA PARK RESORT INC.
100 Regent Street
Richmond Hill (Ontario) L4C 9N7
(hereinafter called the 'Developer')

WE HEREBY AUTHORIZE YOU TO DRAW ON THE NATIONAL BANK OF CANADA
for the account of HUGEL LOFTS LTD / MARINA PARK RESORT INC. UP
TO AN AGGREGATE AMOUNT Of Five Hundred Thousand Dollars and
00/100 (CAD \$500,000.00) available on demand.

PURSUANT TO THE REQUEST OF our customer: HUGEL LOFTS LTD / MARINA
PARK RESORT INC. we NATIONAL BANK OF CANADA hereby establish and
give you an Irrevocable Standby Letter of Credit in your favour
in the above amount which may be drawn on by you at any time and
from time to time, upon written demand for payment made upon us
by you which demand we shall honour without enquiring whether you
have the right as between yourself and the said customer to make
such demand, and without recognizing any claim of our said
customer, or objection by it to payment by us.

DEMAND shall be by way of Letter signed by the Treasurer of the
Municipality under the corporate seal attached to which shall be
the original Irrevocable Standby Letter of Credit.
Presentation shall be made to the bank at: NATIONAL BANK OF
CANADA, International Trade - Toronto Centre at 150 King Street
West, 4th Floor-Podium, Toronto, Ontario, M5X 1J9, Att. Yin-Yin
Yuan.



THE IRREVOCABLE STANDBY LETTER OF CREDIT we understand relates to those Municipal services and financial obligations set out in an Agreement between the customer and the Municipality and referred to as "The Marina Park Condominium project at 151 Marina Park Avenue and more particularly described in Document Number SC541705 registered in the Registry Office at Barrie on May 8, 2007"

THE AMOUNT of this Irrevocable Standby Letter of Credit may be reduced from time to time as advised by notice in writing to the undersigned by the Treasurer of the Corporation of the Town of Midland.

THIS IRREVOCABLE STANDBY LETTER OF CREDIT will continue in force for a period of one year to october 31, 2013, but shall be subject to the condition hereinafter set forth.

IT IS A CONDITION of this Irrevocable Standby Letter of Credit that it shall be deemed to be automatically extended without amendment, from year to year from the present or any future expiration date hereof, unless at least 30 days prior to the present or any future expiration date, we notify you in writing by registered mail or by special courier that we elect not to consider this Irrevocable Standby Letter of Credit to be renewable for any additional period.

This Irrevocable Standby Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) being ICC Publication UCP600 and engages us in accordance with the terms thereof.

DATED at Montréal the 11th day of February, 2013.

NATIONAL BANK OF CANADA By:

Claudio Cordova
Technical Advisor
Letters of guarantee
(514) 394-6094

Ronny Favel
Technical Advisor
Letters of guarantee
(514) 394-5000 ext.2797



February 22, 2013

Romspen Investment Corporation
Attn: Genia Ionova
162 Cumberland Street, Suite 300
Toronto, ON M5R 3N5

RE: LETTER OF CREDIT LOAN NO: 1436880.C
LETTER OF CREDIT NO. S600524
BORROWER: Hugel Lofts Limited

Please find enclosed a cheque in the amount of \$500,000.00 issued payable to Romspen Investment Corporation as per agreement on file regarding this Letter of Credit Cancellation.

If you have any questions please contact us.

Yours truly

LAURENTIAN BANK OF CANADA

A handwritten signature in black ink, appearing to read "Susan Glass", written over a horizontal line.

Susan Glass
Coordinator, Administration
Real Estate Financing



LAURENTIAN
BANK

INDEMNITY FOR LETTER OF
GUARANTEE/STANDBY LETTER OF CREDIT
(Loan No. 1436880.1)

TO: LAURENTIAN BANK OF CANADA (the "Bank")
130 Adelaide Street West, Suite 300, Toronto, Ontario Branch

IN CONSIDERATION OF the Bank giving or continuing to give a Guarantee/Indemnity/Bond/Standby Letter of Credit to The Corporation of the Town of Midland (the "Beneficiary") substantially in the form attached (the "Guarantee", which expression shall include any extension or modification thereto, whether or not any such extension or modification is made at the request or with the consent of the undersigned), the undersigned (the "Indemnitor") HUGEL LOFTS LTD. of 123 West Drive, Brampton, Ontario L2T 2J6 HEREBY UNCONDITIONALLY AND IRREVOCABLY AGREE(S) AS FOLLOWS:

1. TO INDEMNIFY and save harmless the Bank against and from all loss, costs, damages and expenses (including without limitation legal expenses on a solicitor and client basis) which the Bank may sustain, incur, or be or become liable for by reason of or arising from or in any way connected with the Guarantee.
2. TO PAY to the Bank forthwith on demand all moneys and liabilities whatsoever which may from time to time be claimed or demanded from the Bank or which the Bank shall pay or become liable to pay or sustain, incur, or be or become liable for by reason of or arising from or in any way connected with the Guarantee.
3. So long as the Guarantee is in force and until it is returned to the Bank, the Indemnitor shall pay the Bank a commission at the rate of 1.75% per cent per annum on the Bank's maximum contingent liability under the Guarantee, such commission to be payable annually in advance of the date of issue of the Guarantee and at intervals of 12 months following such date, based on the said liability under the Guarantee on the date of payment of commission. The commission shall be non-refundable and shall not be subject to apportionment.
4. The Bank is hereby irrevocably authorized and empowered by the Indemnitor, without making prior demand, to debit the accounts of the Indemnitor with any moneys from time to time payable under this Indemnity and, in the event of a debit balance, to charge interest on such moneys to the date of repayment (notwithstanding any demand or any judgment obtained by the Bank or any other matter whatsoever) at a rate of 2.00% per centum per annum above the Bank's Prime Lending Rate, or at such higher rate as may from time to time be payable on such account, upon such days and upon such terms as the Bank may from time to time determine.
5. The Bank is hereby further irrevocably authorized and empowered by the Indemnitor to pay immediately any amounts demanded from the Bank or which the Bank from time to time becomes liable to pay under or by reason of the Guarantee without any notice to or consent of the Indemnitor and without being under any duty to inquire whether any claims or demands on the Bank have been properly made, notwithstanding that the validity of any such claim or demand or the amount thereof shall be in dispute. The Indemnitor hereby agrees to accept any claim or demand on the Bank as conclusive evidence that the Bank was liable to pay and any payment made pursuant to such demand which purports to be in accordance with the Guarantee as binding upon the Indemnitor. Any step taken by the Bank or any failure by the Bank to take any step under or in connection with the Guarantee (even if the same shall constitute gross negligence) shall, if in good faith and regardless of whether it may constitute gross negligence, be binding on the Indemnitor and shall not place the Bank under any liability to the Indemnitor.
6. The Bank may at any time without notice to or consent of the Indemnitor extend, modify or terminate the Guarantee or reduce the Bank's liability thereunder.
7. The Bank shall have a security interest in and a lien on, and shall be entitled to retain as security for the liabilities of the Indemnitor hereunder, any cheques, drafts, bills, notes or negotiable or non-negotiable instruments and any stocks, shares or marketable or other securities and property of all kinds of the Indemnitor from time to time held by the Bank, whether for safe custody or otherwise. In addition, the Indemnitor hereby agrees to provide upon the Bank's demand at any time cash collateral and/or other forms of acceptable security sufficient to fully secure the Bank's contingent liability under the Guarantee.
8. The Bank may at any time and from time to time and without notice to or any consent or concurrence by the Indemnitor make any settlement, extension, renewal or variation in terms of the Guarantee or in the payment of amounts thereunder, or take or surrender any security, and no such thing done by the Bank or any carelessness or neglect by the Bank in perfecting, preserving or asserting its rights or any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of law of any right of the Bank against the Beneficiary or the loss or destruction of any security, shall in any way release or diminish the Indemnitor's liability hereunder so long as the Bank has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid.
9. This Indemnity shall be in addition to and not in substitution for any other guarantees, instruments or other securities which the Bank may now or hereafter hold and the Bank shall be under no obligation to marshal in favour of the Indemnitor any other guarantees, instruments or other securities or any monies or other assets which the Bank may be entitled to receive or may have a claim upon. This Indemnity shall not operate as a merger of any simple contract debt or in any way suspend the fulfillment of, or prejudice or affect any of the rights, remedies and powers of the Bank or any securities held by the Bank for the fulfillment thereof.
10. A demand shall, without prejudice to any other effective mode of making the same, be deemed to have been sufficiently made hereunder on the Indemnitor if served on the Indemnitor or his personal representatives personally (or, in the case of a corporation, on any one of the Directors or on the Secretary thereof personally), or left or sent by mail to the Indemnitor or his personal representatives at his or their usual or last known place of abode or business (or, at the option of the Bank in the case of a corporation, at its registered office), and shall be assumed to have reached the addressee within 24 hours of mailing, and in proving such service it shall be sufficient to prove that the demand was properly addressed and mailed. In the case of the death of the Indemnitor, and until receipt by the Bank of notice in writing of the grant of Probate of the Will or Letters of Administration of the Estate of the deceased, any demand sent by mail, as aforesaid, addressed to the deceased or to his personal representatives at the usual or last known place of abode or business of the deceased shall for all purposes be deemed a sufficient demand by the Bank to the deceased and his personal representatives and shall be as effectual as if the deceased were still living.

11. Where this Indemnity is signed by more than one person the expression the "Indemnitor" shall be construed as referring to each such person individually and to all of such persons collectively, and the liability of the Indemnitor herein is joint and several, as principal and not as surety. None of the Indemnitor shall be entitled to any rights or remedies, legal or equitable, of a surety as regards the indebtedness, obligations or liabilities of any others of the Indemnitor. Each of the Indemnitor agrees and consents to be bound by this Indemnity, notwithstanding that any others who were intended to sign or to be bound by these presents may not do so or be effectually bound hereby, and notwithstanding that this Indemnity may be invalid or unenforceable against any one or more of the Indemnitor, whether or not the deficiency is known to the Bank. The Bank shall be at liberty to release any one or more of the Indemnitor from this Indemnity, to compound with or otherwise vary or agree to vary the liability of, or to grant time or other indulgence to, or make other arrangements with, any one or more of the Indemnitor, without prejudicing or affecting the Bank's rights, powers and remedies against any others of the Indemnitor.

12. The Indemnitor agrees that his liability to the Bank shall remain outstanding until the expiry of one calendar month after the return for cancellation of the Guarantee by the Beneficiary to the Bank, or in the event that the Guarantee has been destroyed or lost or if otherwise not available for return to the Bank, until the expiry of one calendar month after the receipt of an agreement from the Beneficiary in form satisfactory to the Bank that the Bank is released from all liability thereunder. This clause shall not prejudice any liability of the Indemnitor arising hereunder prior to the date of cancellation of the Guarantee or the date of receipt of the said agreement (as the case may be).

13. This Indemnity shall be governed by and construed in all respects in accordance with the laws of the province where the branch of the Bank noted above is situate.

14. The Indemnitor hereby irrevocably submits to the non-exclusive jurisdiction of the courts of the province where the branch of the Bank noted above is situate, but it shall be open to the Bank to enforce this Indemnity in the courts of any other competent jurisdiction.

15. Any provision of this Indemnity which is invalid or unenforceable under the laws of any jurisdiction in which this Indemnity is sought to be enforced shall, as to such jurisdiction and to the extent such provision is invalid or unenforceable, be deemed severable and shall not affect any other provision of this Indemnity.

16. Words importing the singular number only include the plural and vice versa and words importing gender shall include all genders and words importing persons include individuals, partnerships, corporations, trusts, unincorporated associations, joint ventures, governmental agencies and other entities.

17. Time is of the essence of this Agreement.

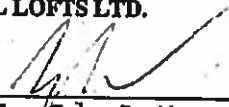
18. "Prime Lending Rate" means the annual rate of interest which the Bank establishes and quotes from time to time as the reference rate of interest to determine interest rates it will charge at such time for variable rate commercial loans in Canadian dollars to its customers in Canada and to which it may refer as its "prime rate" or "prime lending rate"; upon any change in the Prime Lending Rate, the rate of interest hereunder determined with reference to the Prime Lending Rate shall be adjusted automatically and without the necessity of any notice to the Indemnitor.

19. This Indemnity shall not be affected by the death or loss or diminution of capacity of the Indemnitor or any of them or by any change in the membership of the Indemnitor's firm, if a partnership, through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise.

20. This Indemnity and all the provisions hereof shall enure to the benefit of, and be binding upon, the parties hereto, their respective heirs, executors, administrators, other personal or legal representatives, successors and assigns and every reference herein to a party hereto shall extend to and include such party's heirs, executors, administrators, other personal or legal representatives, successors and assigns, as if specifically named.

SIGNED, SEALED AND DELIVERED this 19th day of June, 2012

HUGEL LOFTS LTD.

Per: 
Zoran Cočov - President

I have authority to bind the Corporation

David P. Preger

From: David P. Preger
Sent: Thursday, November 19, 2015 1:08 PM
To: Zoran Cocov
Cc: 'arkadi@bouchelevlaw.com'; 'Jeffrey Kaufman'; 'brosen@rosengoldberg.com'; Lisa S. Corne; 'Eric Golden'; 'Blake Cassidy'; 'Mary Gianfriddo'; Christina E. Corrente
Subject: In the Matter of the Receivership of the Assets of 6711162 Ontario Inc. et al.
Attachments: TORONTO-#1100186-v1-Commitment.PDF; TORONTO-#1100187-v1-First_Supplement.PDF; TORONTO-#1100188-v1-Second_Supplement.PDF; TORONTO-#1046595-v1-Omnibus_Order.PDF

Zoran,

I believe that what follows should now be a complete answer to your email of November 14, 2015.

1. Garfinkle Biderman's trust records were provided to you by email on November 18, 2015.
2. Romspen's commitment letter of July 18, 2011 (copy attached) provides in section 10 for an initial fee of \$40,000 and an additional 2% to be charged as funds are drawn. The initial advance was \$3,850,000. \$40,000 plus 2% of \$3,850,000 is \$117,000.
3. The details surrounding Romspen's receipt of \$500,000 from Laurentian in connection with the release of the letter of credit and the replacement thereof by Romspen with a fresh letter of credit to the Town of Midland from National Bank were provided to you by email on November 18, 2015. You will note that Romspen posted the National Bank letter of credit with the Town on February 11, 2013 even though it did not receive \$500,000 from Laurentian until February 22, 2013. Notwithstanding a gap of 11 days, Romspen did not charge interest on \$500,000 until February 22, 2013, thereby saving the debtors \$1,582.24 (per diem interest of \$143.84 on \$500,000 @ 10.5% pa).
4. The first supplement to the commitment dated June 12, 2012 (copy attached) in section 1 (f) provides for an administration fee of \$1,000, a lender's advance fee of \$1,000 and a \$17,000 lender's fee. Garfinkle Biderman's accounts were provided to you by email on November 17, 2015. The firm's June 27, 2012 account related to the fourth draw. In the first supplement to the commitment dated June 12, 2012, the lender's basic legal fee was estimated to be \$1,500. In fact the fee charged exclusive of disbursements and HST was \$2,500. The total amount charged inclusive of fees, disbursements and HST was \$4,371.43. We note that legal services rendered were not limited to facilitating a further draw under the loan but involved securing 2 further parcels of land, namely 54 Laguna Drive, in Brechin, and 5638 Willison Side Road, in Ramara, to facilitate a purchase of property rather than construction of the Midland condominium project. With respect to the lender's fee of \$3,806.01, the fee was calculated on the basis of the general provision in section 10 of the commitment letter of July 18, 2011, for a 2% charge as funds are drawn, which fee provision was not deleted by section 1 (f) of the first supplement to the commitment dated June 12, 2012. The 2% fee of \$3,806.01 was chargeable on the lender's teranet charge of \$196.92, the interest accrued and paid of \$181,297.48 and the \$5,000 estimate payable to Garfinkle Biderman. The foregoing amounts were advanced under the loan facility and added to principal as opposed to actually paid by the debtors at the time of the advance. The correct amount chargeable should have been \$3,729.89. In error, Romspen charged \$3,806.01. The over-charge of \$76.12 is offset by the under-charge of \$1,582.24 in relation to the replaced letter of credit.
5. The second supplement to the commitment dated August 15, 2012 (copy attached) in section 1 (h) provides for a lender's fee of \$275,000, an administration fee of \$1,000, a lender's advance fee of \$500 and a construction lender's advance fee of \$1,000/advance.

6. This question is unclear. Please specify any concerns that have not been addressed.

7. In accordance with the Order of Justice Conway dated June 8, 2015 (copy attached), the Receiver is holding \$249,515.38 in respect of statutory holdbacks under the *Construction Lien Act* (Ontario). As a term of its discharge, the Receiver will be seeking an Order to pay these funds into Court. The lien actions can then be dealt with between the lien claimants and Hugel Lofts Ltd. in the ordinary course.



ROMSPEN

July 18, 2011

Our File: 8110

Mr. Zoran Cocov
 Mr. Aitaf Soorty
 12 Regentview Drive
 Brampton, Ontario
 L6G 3Z2

Dear Sirs:

**Re: \$16,000,000 first mortgage financing
 Development Lands located on Rama Road and Hopkins Bay Road, Township of
 Ramara**

We are pleased to inform you that, on the basis of the information and the documents supplied by you, Romспен Investment Corporation as Trustee (the "Lender") hereby submits to you this offer of Mortgage Financing ("Commitment") in connection with the property above mentioned and more fully described in Section 4 below.

This Commitment must be accepted by the Borrower and received by the Lender, together with the Standby Deposit as hereinafter set out, no later than five business days from the date set out above, failing which this Commitment shall become null and void without further notice.

1. **BORROWER(S)**

6711162 Canada Inc., 1794247 Ontario Inc., (the "Borrower") who represents itself to be the legal and beneficial owners of all property and assets comprising the security required pursuant hereto.

2. **COVENANTOR(S)**

Zoran Cocov and Aitaf Soorty (the "Covenantor").

The Covenantor, jointly and severally with the Borrower, covenant and agree to satisfy all terms, conditions and requirements herein contained and each of the Borrower and Covenantor acknowledge and agree that their obligations hereunder, including, without limitation, the obligations to repay the Loan, shall constitute primary obligations and shall be joint and several.

3. **APPROVED LOAN AMOUNT**

The approved loan amount is Sixteen Million Dollars (\$16,000,000) ("Loan").

The Loan shall be funded by way of advances, the amount(s) and timing of such advance(s) to be in the absolute discretion of Lender.

4. **PROPERTY**

Property 1

Municipal Address: 5781-5819 Rama Road, Township of Ramara, Ontario

Legal Description: PT LT 2 CON BF RAMA; PT LT 3 CON BF RAMA; PT LT 4 CON BF RAMA AS IN RO1403266; S/T RO889231, RO708386 RAMARA (PIN 74018-0017)
PT LT 3 CON BF RAMA PT 1 51R5598; RAMARA (PIN 740-18-0018)

Being certain parcels of land comprised in total of approximately 63.27 acres, together with all improvements located on said real property.

Registered owner: 6711162 Canada Inc.

Use of the Property: Commercial development land. The Property shall at all times be used for this and no other purpose.

Permitted Encumbrances: None

Property 2

Municipal Address: 4243 Hopkins Bay Road, Township of Ramara, Ontario

Legal Description: PT LT 3 CON BF RAMA PT 6, 40R645; RAMARA (PIN 58696-0021), having an area of approximately 11.40 acres, together with all improvements located on said real property.

Registered Owner: 1794247 Ontario Inc.

Use of the Property: Commercial/residential development land. The Property shall at all times be used for this and no other purpose.

Permitted Encumbrances: None

Property 3

Municipal Address: 4285 Hopkins Bay Road, Township of Ramara, Ontario

Initials.....
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Legal Description: PT LT 3 CON BF RAMA, PTS 2 TO 7 INCL. PL 51R30563, S/T MINERAL RIGHTS AS IN RAM174592, T/W ROW OVER PT 2 PL 51R30736 AS IN LT519213, T/W ROW OVER PT 4 PL 51R30736 AS IN LT519214; S/T ROW OVER PTS 6 & 7 51R30563 AS IN SC286231; RAMARA (PIN 58698-0207), having an area of approximately 1.01 acres, together with all improvements located on said real property.

Registered Owner: 1794247 Ontario Inc.

Use of the Property: Waterfront cottage. The Property shall at all times be used for this and no other purpose.

Permitted Encumbrances: None

Borrower represented cumulative value of Property 1, 2 and 3: \$27,100,000

Property 4

Municipal Address: 4271-4275 Hopkins Bay Road, Township of Ramara, Ontario

Legal Description: To be advised
A certain parcel of land having an area of approximately 1 acre, together with all improvements located on said real property (collectively the "Property").

Registered Owner: To be advised.

Use of the Property: Waterfront house. The Property shall at all times be used for this and no other purpose.

Borrower represented Value of the Property: \$1,000,000

Permitted Encumbrances: First mortgage in favour of Toronto-Dominion Bank having an outstanding principal amount not greater than \$570,000, the mortgage to be in good standing

Property 1, Property 2, Property 3, and Property 4 are sometimes collectively referred to as the "Property".

5. FIRST ADVANCE DATE

The first advance shall take place on or about July 27, 2011 ("First Advance Date").

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6. **INTEREST RATE**

The interest rate for the financing will be ten and one-half (10.50%) percent per annum, calculated and compounded monthly on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment.

Where the First Advance Date is more than sixty (60) days from the date of execution hereof, and the loan is not fully advanced by the said First Advance Date, we may increase the interest rate by the amount of any increase in Royal Bank of Canada Prime Rate (as defined in Section 14.4) that occurs between the date of execution hereof and the date that is ten (10) days prior to the actual date that the Charge is fully advanced.

7. **TERM**

The term for the financing shall be two (2) years commencing from the Interest Adjustment Date (the "Loan Term"). The date on which the Loan Term expires is sometimes referred to herein as the "Loan Maturity Date". The Loan shall not be repaid prior to the Loan Maturity Date, unless a prepayment privilege is provided herein.

Interest Adjustment Date is to be set on the 1st or the 15th of the month following the first advance of funds under the mortgage.

8. **USE OF FUNDS**

To provide mortgage financing for general corporate purposes (approximately \$3,500,000), to retire existing mortgage indebtedness on Properties 2 and 3 (approximately \$500,000), to pay fees and transaction costs, to set up an interest reserve, and up to \$10,000,000 for the acquisition of additional real property, to be secured by mortgage(s) and other security satisfactory to Lender in its sole discretion.

The Borrower represents and warrants that no portion of the Loan will be used for the supply of any services or for any erection, installation, addition, removal, construction, renovation, alteration, or repair to the Property or to any building, structure or works thereon. In the event that a claim for lien is subsequently made under the *Construction Lien Act*, and not vacated within 15 days, the Lender may, in addition to any other remedy available to it and in its unfettered discretion, accelerate the maturity date of the Loan upon a 10 day notice to the Borrower.

9. **SECURITY**

The following security for the Loan shall be granted in favour of the Lender, in form and content satisfactory to the Lender and its legal counsel (hereinafter collectively referred to as the "Security"):

- 9.1 a first ranking mortgage and charge on Properties 1, 2, and 3, and a second ranking mortgage and charge on Property 4, in the amount of Sixteen Million Dollars (\$16,000,000) charging the Property;
- 9.2 a general assignment of all present and future rents, equivalent in ranking to the mortgages described in Section 9.1, pursuant to leases and offers to lease (such offers

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to lease and leases being hereinafter collectively referred to as the "leases" and the use of the word "lease" herein shall be deemed to include offer to lease) affecting the Property together with all Insurance indemnities covering the said rents and of all income and accounts derived from the Property including all proceeds receivable from early termination of any of the leases and all other benefits and advantages to be derived therefrom. The Lender may in addition, in its absolute discretion, require attornment and/or attornment and subordination agreements to be entered into by the tenants of any of the leases. Any security interest granted by a tenant in favour of the Borrower shall be assigned and transferred to and in favour of the Lender under the terms of the assignment of leases and rentals granted to the Lender;

- 9.3 Specific assignments of all leases for tenants occupying or to occupy more than 5% of rentable area or generating more than 5% of total rental revenue, and of all rents payable under such leases, of all Insurance indemnities covering the said rents and of all income and accounts derived therefrom; including all proceeds received from early termination of such leases, together with tenant acknowledgements for such tenants in the form set forth in Schedule "F" hereto and, if required by the Lender, attornment and/or attornment and subordination agreements in respect thereof. The Lender shall be entitled to register the specific assignments of such leases and to require notices of each such lease to be registered against title to the Property by the Borrower in such order as requested by the Lender, such assignments to be equivalent in ranking to the mortgages described in Section 9.1;
- 9.4 General Security Agreements, equivalent in ranking to the mortgages described in Section 9.1, charging all of the personal and real property of the Borrower and Covenantor including, without limitation, goods, chattel paper, documents, accounts, intangibles, securities, monies, books and records and all replacements of, substitutions for and increases, additions and accessories to the foregoing and proceeds thereof, present and future;
- 9.5 a specific assignment of all the Borrower's right, title and interest in, to and under all material contracts affecting or with respect to the Property, as required by the Lender, with all necessary consents of the other parties thereto;
- 9.6 acknowledgment of the status and terms of any contracts affecting or with respect to the Property including, without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters [if known should specify agreements here] specifically, but without limitation, confirming the good standing of such contracts and the rights of the Lender under its security;
- 9.7 if the Property is a condominium, a specific assignment of all of the Borrower's right, title and interest in and to all purchase agreements, sales proceeds and purchaser deposits. In addition all condominium association voting rights shall be assigned to the Lender, or its nominee;
- 9.8 if any charge is to be registered with the Lender's prior written consent on title to the Property in subordinate priority to the Lender's security in favour of any party related to the Borrower or any beneficial owner within the definition of "Related Party" pursuant to the Income Tax Act (Canada) such subordinate charges shall provide to the Lender

Initials.....
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a Subordination and Standstill Agreement in the form as set out in Schedule "N" attached hereto;

- 9.9 an unconditional, joint and several covenant by the Covenantor as principal debtor and not as surety for the performance of all obligations of the Borrower with respect to the Loan, it being understood that the Lender shall not be obliged to proceed against the Borrower or to enforce or exhaust any security before enforcing the guarantee;
- 9.10 assignment of all Insurance policies with respect to the Property and all proceeds and benefits therefrom in favour of the Lender;
- 9.11 assignment, postponement and subordination by the respective shareholders of all corporate Borrowers and Covenantors, in favour of the Lender, of any and all loans, indebtedness, distributions of income and/or capital owing or due to them from time to time by the respective corporate Borrowers and/or Covenantors;
- 9.12 a pledge of all Issued shares and any other options or securities or that have share conversion privileges of the Borrower(s); and
- 9.13 such further and other security as legal counsel for the Lender may reasonably require.

10. TRANSACTION FEES AND RELATED COSTS

Administration Fee:	\$ 4,000
Lender's Fee:	\$320,000**
Insurance Risk Management Fee:	\$ 1,200*
Lender's Advance Fee (per advance)	\$ 1,000
Lender's Basic Legal Fee (estimated):	\$ 15,000*
Plus additional legal fees for subsequent advances*	
<u>Total Fees*:</u>	<u>\$341,200*</u>

* Plus disbursements and taxes, if applicable.

** Initial fee of \$40,000 and an additional 2% to be charged as funds are drawn.

In addition to the aforementioned, the Borrower agrees to pay all costs, fees and expenses in connection with the transaction contemplated by this Commitment, including, without limitation:

- 10.1 engineering, environmental assessment, appraisal, credit information, inspection, architectural, project monitoring, cost consultancy, survey and any and all other professional and advisory costs as may be reasonably required by the Lender;
- 10.2 registration, recording and filing fees, taxes and the like with regard to all documents required by the Lender's solicitors to be registered, recorded or filed.

Such fees and costs may, at the option of the Lender, be deducted from any advance of the Loan.

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11. STANDBY DEPOSIT

In consideration of the issuance of this Commitment and in recognition of the considerable effort that the Lender must immediately undertake in order to make funds available for closing, the Borrower agrees to submit to the Lender, together with this executed Commitment, a sum of Thirty Thousand Dollars (\$30,000) ("Standby Deposit"), by way of a certified cheque payable to the Lender. The Lender hereby acknowledges receipt of Fifteen Thousand Dollars (\$15,000) as part of the Standby Deposit.

Standby Deposit shall bear no interest while in the possession of the Lender. Save as otherwise provided for herein, such Standby Deposit shall be credited to the Borrower at the time of the first advance of the Loan.

12. ADVANCES AND CONDITIONS PRECEDENT

12.1 General

12.1.1 Subject to the other terms and conditions set forth in this Commitment, the Lender shall disburse the proceeds of the Loan to or on behalf of the Borrower in the amounts and as specified in Section 3 herein.

12.1.2 The Borrower shall be the legal and beneficial owner of a good and marketable freehold title to the Property and all personal property associated therewith. The Property and the personal property related thereto or used in connection with the operation thereof or which is necessary to the use and operation thereof, shall be free and clear of all security interests, charges, liens, mortgages, claims or other encumbrances, with the exception of the Security provided for in this Commitment and the Permitted Encumbrances, the whole to the complete satisfaction of legal counsel for the Lender.

12.1.3 All taxes, assessments, duties, utility charges and other levies and charges affecting the Property, other than amounts which are not yet due and payable, shall have been paid prior to each advance of the Loan, failing which they shall be paid from the proceeds of any advance.

12.1.4 The Borrower shall fulfill all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to the appropriate taxation, municipal, utilities and other authorities an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, in the name of the Borrower, a confirmation from such authorities that all payments, declarations and other filings of the Borrower are up to date, whether the authorities concerned have issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. This authorization shall remain in effect until the Loan has been fully repaid.

12.1.5 Within five (5) business days from acceptance of this Commitment, the Borrower shall deliver to the aforementioned legal counsel the following documents (where applicable):

Initials.....
Initials.....

- 12.1.5.1 all title deeds;
- 12.1.5.2 copies of all contracts affecting the Property or relating thereto, including, without limitation, executed offer to lease or leases, standard offer and lease agreements, and all information related to such leases. If Property is a condominium - standard purchase agreement, copies of all condominium documentation, including the declaration and by-laws;
- 12.1.5.3 required insurance policies;
- 12.1.5.4 evidence that the tax accounts have been duly paid;
- 12.1.5.5 certified copies of the Borrower's borrowing by-law and resolution authorizing this transaction;
- 12.1.5.6 the Covenantor's resolution(s) authorizing this transaction;
- 12.1.5.7 certified copies of the articles of incorporation, certificate of incorporation, of status and/or of compliance of the Borrower and the Covenantor;
- 12.1.5.8 an original up to date survey prepared by a duly qualified land surveyor; such survey must be in a form acceptable to the Lender's counsel;
- 12.1.5.9 a certificate of Independent legal advice, if applicable, signed by the Borrower's solicitor; and
- 12.1.5.10 any other documents required hereunder and reasonably requested by legal counsel for the Lender.

12.2 Advance Requirements

The advance of the Loan is conditional upon the receipt by the Lender of the following documents, in form and substance satisfactory to the Lender and upon fulfillment by the Borrower of the following conditions precedent as well as those set out in Schedule "B" hereof and elsewhere, to the entire satisfaction of the Lender:

- 12.2.1 the Security and any other documents relating to the Loan that are required or contemplated hereunder or which the Lender and its legal counsel may deem necessary, shall have been received and approved to the complete satisfaction of the Lender and its counsel and duly executed and registered and perfected, as the case may be and all approvals required by the Lender or its counsel shall have been given;
- 12.2.2 a title insurance policy insuring title to the Property issued by a title insurance company acceptable to the Lender and in form and content satisfactory to the Lender with the premiums to be paid for by the Borrower.

Initials.....
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- 12.2.3 a favourable opinion of the Borrower's counsel on the due incorporation, corporate power and authority of the Borrower, the due authorization, execution, delivery, validity and enforceability of this Commitment and the Security and such other matters as the Lender or its counsel may reasonably require;
- 12.2.4 a certificate of the Borrower confirming the truth and survival of the representations and warranties contained herein;
- 12.2.5 receipt of a fully executed original copy of the purchase and sale agreement and amendments thereto for the Property and favourable opinion report thereon prepared by the Lender's counsel, if applicable;
- 12.2.6 evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in Schedule "L", together with a favourable opinion of the Lender's insurance consultant on the adequacy of all insurance policies and or bonding requirements referred to and/or required to be delivered and/or maintained hereunder;
- 12.2.7 evidence that all taxes, rates, assessments and charges which may be levied or imposed against the Property and/or the Borrower's business, including all utilities and other amounts capable of forming a charge against the Property, have been paid in full;
- 12.2.8 evidence that the Borrower has complied with all statutory requirements for deductions at source and remittance to applicable fiscal authorities, including, without limitation, those under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan Act* (Canada) and the *Employment Insurance Act* (Canada).;
- 12.2.9 an acceptable site inspection has been completed on behalf of the Lender;
- 12.2.10 a satisfactory interview with the Borrower has been conducted by the Lender;
-
- 12.2.11 an environmental report prepared, at the expense of the Borrower, by qualified environmental consultants acceptable to the Lender, addressed to the Lender or, alternatively, accompanied by a letter of transmittal from the environmental consultants who prepared the report, allowing the Lender to rely upon the same and to use it for mortgage purposes, disclosing no site contamination or hazardous substances and confirming, to the satisfaction of the Lender, that the Property complies with Environmental Laws (as defined in Schedule "B" hereof). The Borrower hereby agrees to provide all information that it has with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender;
- 12.2.12 an appraisal and feasibility report of the Property prepared in a form and substance satisfactory to the Lender, at the expense of the Borrower, by a qualified appraiser acceptable to the Lender, addressed to the Lender or,

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alternatively, accompanied by a letter of transmittal from the appraiser allowing the Lender to rely upon the same and use it for mortgage purposes;

- 12.2.13 all leases affecting the Property, executed by the parties thereto, including, without limitation, those listed in Schedule "G" hereto, or a certified rent roll in a form acceptable to the Lender and reviewed by and found satisfactory to the Lender and its counsel. In addition, tenant estoppel certificates for all tenants occupying or to occupy 5% of rentable area or more or generating 5% of total rental revenue or more, and attornment and subordination agreements from tenants as required by the Lender, shall have been executed by the required parties and found satisfactory to the Lender;
- 12.2.14 If there are existing structures on the Property, a favourable report from a qualified structural engineer, addressed to the Lender and attesting to the structural soundness of the existing improvements erected on the Property;
- 12.2.15 no event shall have occurred and be continuing or would result from making of any advance under the Loan, which constitutes an event of default or would constitute an event of default under any of the Borrower's obligations, except when such default is cured by notice or elapsed time or both;
- 12.2.16 the Lender and its counsel shall have approved any, and all contracts and documents affecting or with respect to the Property;
- 12.2.17 If the Property involves a ground lease, a copy of the ground lease and if applicable, insurance trust agreement and any other agreement entered into with the ground lessor;
- 12.2.18 If the Property is a condominium, all draft condominium documents;
- 12.2.19 the project management agreement, any co-owners agreement, and/or the nominee trust agreement in effect in respect of the Property.
- 12.2.20 evidence of compliance with The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations, including but not limited to:
- (a) Each individual Borrower and individual Covenantor is to provide, at least 3 days prior to funding, the completed Agent Examination of Identification as set out in Schedule C;
 - (b) Each corporate Borrower and corporate Covenantor is to provide, at least 3 days prior to funding, with the following:
 - (i) Corporation profile report or Certificate of Status confirming such corporate Borrower or corporate Covenantor has not been dissolved;
 - (ii) Executed Certificate of Incumbency setting out the names of all directors and officers, and the office held by each officer;
 - (iii) Executed director(s)' resolution authorizing the transaction;
 - (iv) Shareholders' register. A completed Agent Examination of Identification form is required for each individual shareholder who owns, beneficially or otherwise, 25% or more of the issued and

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outstanding shares of such corporate Borrower or corporate Covenantor. For each corporate shareholder which owns, beneficially or otherwise, 25% or more of the issued and outstanding shares of a corporate Borrower or corporate Covenantor, the Lender requires items (i) and (ii).

12.2.21 If any Covenantor is other than shareholder, beneficial owner, director, officer or controlling mind of the Borrower, or if at the Lender's sole determination, undue influence could be brought to bear upon such Covenantor by the Borrower or any other Covenantor or beneficial owner, any such Covenantor must obtain and deliver to the Lender a Certificate of Independent Legal Advice and/or Representation on independent solicitor's letterhead, in the form as set out in Schedule "M" hereto;

12.2.22 notwithstanding anything contained herein, no advances shall be made by the Lender until such time as the Lender is in receipt of, and has reviewed, all due diligence material referred to in Schedule A of the letter agreement dated and not hereinbefore requested; and

12.2.23 notwithstanding anything contained herein, no advance shall be made by the Lender until it shall have been duly advised by its legal counsel that, having regard to all the circumstances, such advance should be made.

13. TERMINATION

In the event the Borrower is in default for any reason whatsoever under the terms of this Commitment, or if it does not fulfill the conditions for disbursement of the Loan in accordance with the terms and conditions contained herein or in any other agreement or document relating to this Commitment, no later than five (5) business days prior to the First Advance Date, or if any information or document supplied by the Borrower is found to be incomplete or inaccurate in a material respect or if for any reason the Borrower does not accept all or a part of the proceeds of the Loan when the Lender makes the same available, the parties to this Commitment hereby acknowledge that the Lender shall be entitled, at its discretion, to cancel its obligations under this Commitment and to retain the Standby Deposit as liquidated damages and in such event, this Commitment shall thereafter, subject as hereinafter provided, be null and of no further effect, without any further recourse by either party against the other. In addition, notwithstanding the forfeiture of the Standby Deposit, the Borrower shall remain liable and be required to pay and reimburse the Lender all fees, costs and expenses as set out in Section 10 and incurred by the Lender whether or not the Loan is proceeded with. The aforesaid covenants and agreements with respect to the Standby Deposit and the Borrower's obligation to pay and reimburse the abovementioned amounts are enforceable by the Lender notwithstanding the termination of this Commitment, each of such covenants and agreements having an independent existence from this Commitment.

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14. OTHER FINANCING TERMS

14.1 Repayment and Monthly Mortgage Instalments

Interest computed as provided in Section 6 shall be payable monthly in arrears on the same day of each and every month throughout the Loan Term.

With respect to any advance under the Loan, funds shall be deemed advanced on the earliest of:

- (i) the date that the funds are removed from the Lender's account and designated to the Borrower's account or as the Borrower may direct, or
- (ii) the date upon which the Borrower or its authorized representative has requested the funds to be advanced; or
- (iii) in the case of the first advance, the date scheduled for the first advance as herein set out or as amended pursuant to any written agreement between the Borrower and the Lender.

Upon expiry of the Loan Term, the principal of the Loan, together with interest and all other amounts due and owing by the Borrower to the Lender under the Security (as defined herein) shall become immediately due and payable.

It is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid in one (1) month from the time of default a rest shall be made, and compound interest at the rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

14.2 Reserve Fund for Realty Taxes

The Borrower shall maintain all tax accounts current. However, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing the Lender's estimate of one twelfth (1/12) of the annual taxes payable in accordance with Section 16 of the Standard Charge Terms set out in Schedule "B" hereto.

The Lender shall not be responsible for the payment of any tax arrears.

14.3 Method of Payment of Monthly Instalments of Interest

The Borrower shall remit payments via an automatic debit service, by submitting the Authorization Form attached hereto as Schedule "D", together with a "void" cheque. If there are any changes to the Borrower's regular payment, the Lender will provide notice at least ten (10) days in advance of the debit. Please note that all of the account information provided in this respect will be kept confidential.

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14.4 Condition upon Maturity

In the event that the Borrower fails to repay the principal and interest outstanding on the Loan Maturity Date or any renewal thereof agreed to by the Lender, the Lender may, at its sole discretion, extend the mortgage for a period of one (1) month from the original Loan Maturity Date or any renewal thereof agreed to by the Lender, at an interest rate equal to the higher between the Interest Rate for the Loan and the then Royal Bank of Canada Prime Rate per annum plus five percent (5.00%), calculated and payable monthly. In the event that the Loan has not been repaid or renewal has not been finalized within this one (1) month period, then there will be no further extensions, the Lender may exercise its remedies under the Security.

The interest rate applicable will be determined by the Lender on the first (1st) Banking Day of the month in which the Loan matures.

"Royal Bank of Canada Prime Rate" means the rate of interest, expressed as a percentage per annum, published and quoted by Royal Bank of Canada's Toronto, Ontario, Head Office and which is commonly known as the prime lending rate for commercial loans in Canadian Dollars.

"Banking Day" for the purposes of this clause, will mean a day on which the Toronto, Ontario, Head Office for the Royal Bank of Canada is open for business and which is not a Saturday, Sunday, Civic or Statutory Holiday.

All other terms and covenants under the existing mortgage and charge shall continue to apply.

The mortgage and charge may be paid in full on the Loan Maturity Date or any renewal thereof agreed to by the Lender, or any time during the one (1) month extension period without notice, bonus or penalty, other than payment of the Extension Fee and any applicable discharge fees as hereafter set out.

An extension fee which is the greater of Five Thousand Dollars (\$5,000.00) or one percent (1.00%) of the outstanding balance shall be added to the principal balance if this extension provision is utilized.

15. LEGAL COUNSEL

The title report, Security and all other document relating to the financing shall be prepared by the Lender's counsel who shall act on behalf of the Lender:

Barry M. Pollsuk
Garfinkle, Biderman LLP
Suite 801, Dundee Place
1 Adelaide Street West
Toronto, ON M5C 2V9
(416) 869-7610
Fax: (416) 869-0547
Email: bpollsuk@garfinkle.com

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The Borrower shall be responsible for all legal costs involved in the preparation, settlement, execution and delivery of this Commitment, the Security and all other documentation related to the Loan.

16. PREPAYMENT PRIVILEGE

The Borrower shall, when not in default, have the right to prepay all or any part of the principal outstanding (provided if in part, such part shall be a minimum of \$500,000) under the Loan prior to the Maturity Date, on any payment date, upon giving the Lender one (1) month written notice in advance of payment.

17. PARTIAL DISCHARGES

The Borrower shall have no right to obtain a partial discharge(s) of the Charge.

18. SURVEY

The Borrower shall deliver to the Lender within five (5) business days prior to the first advance for its examination an up-to-date fully monumented survey of the Property prepared by a duly qualified Ontario Land Surveyor according to the standards of the Association of Ontario Land Surveyors showing, inter alia:

- 18.1 the boundaries and dimensions of the lands;
- 18.2 the location of all buildings and other improvements (if any) on the Property;
- 18.3 the names and municipal block numbers of adjacent streets;
- 18.4 the location of all registered easements, rights of way, etc.

Said survey shall be approved by the legal counsel for the Lender. If said survey is not an original signed and sealed survey, the Borrower hereby undertakes to deliver to the Lender, at least five (5) business days prior to the disbursement of the first advance of the Loan, three (3) original signed and sealed copies of the said survey. In addition, the Borrower shall deliver to the Lender: (i) at least five (5) business days prior to the disbursement of the first advance of the Loan, a letter, in form satisfactory to the legal counsel of the Lender, from the land surveyor who has prepared the same addressed to the Lender confirming that the Lender may rely upon such survey; and (ii) immediately prior to each advance, a solemn declaration of a senior officer of the Borrower certifying that, since the preparation of the said survey, no new easement has been created, no construction or modification of any building shown thereon has been effected and no new construction has been erected by a neighbor along the boundaries of the land described therein.

19. REFINANCING

19.1 The Lender shall have a right of first opportunity to finance or arrange any replacement financing for the Property, or for any further development of the Property or any

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improvements to be developed on the Property (herein collectively referred to as the "Permanent Financing").

19.2 In connection therewith the Borrower shall provide to the Lender in writing as soon as same is applicable a request for Permanent Financing together with all information necessary for the Lender to process such request and within a reasonable period of time after delivery to the Lender of all reasonably required information, the Lender shall be given a first opportunity to provide an offer of Permanent Financing.

19.3 The Lender shall also be given a continuing right of first refusal to provide an offer of Permanent Financing to the Borrower on terms substantially the same as any other written offer of financing received from a third party lender, which the Borrower is prepared to accept and copy of which the Borrower shall provide to the Lender.

20. **SHARE CAPITAL OF THE BORROWER**

The Borrower declares and represents that its authorized share capital is as follows:

6711162 Canada Inc.

Number of shares	Class	Shareholders

1794247 Ontario Inc.

Number of shares	Class	Shareholders

21. **SPECIAL PROVISIONS**

Prior to each request by Borrower for an advance for the acquisition of real property, Borrower shall provide the following documentation which must be satisfactory to Lender, in Lender's sole discretion:

- (a) Copy of purchase and sale agreement;
- (b) Detailed rent roll setting out names of all tenants, amount of space occupied, monthly rent, lease commencement and termination dates, renewal rights and any rental arrears;
- (c) Most recent site plan and survey;
- (d) Most recent environmental report; and

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(e) Most recent appraisal.

22. CROSS-DEFAULT

The Borrower and Covenantor(s) hereby acknowledge that an act of default under the terms of this Loan will constitute an act of default under any other indebtedness they may have in favour of the Lender or its affiliate. Vice versa, an act of default under any other indebtedness of the Borrower and Covenantor(s) in favour of the Lender or its affiliate will constitute an act of default under this Loan.

23. SIGNAGE

If the Property is vacant land, the Lender may post signage upon the Property, to not exceed 4 feet by 8 feet, stating, "Financing by ROMSPEN INVESTMENT CORPORATION", or words to that effect, and its address and phone number, during the term of the loan or any portion thereof.

24. ADVERTISING BY LENDER

The Lender may, in its advertising describe and/or picture the Property without identifying the Borrower. The cost of the said advertising shall be paid by the Lender.

The Borrower agrees that Lender may advertise the availability of the within mortgage investment to its potential investors by providing details of the same, by any means whatsoever including but not limited to, letter, fax, e-mail and posting on its website.

25. APPLICABLE LAW

The terms and conditions of this Commitment as well as all other documents relating to the execution of the transactions provided for by this Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the Borrower and any and all Covenantor(s) hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

26. AMENDMENT

The terms or requirements of this Commitment or any security may not be waived or varied orally, or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and the Borrower; provided, however, that the Lender may unilaterally extend the date for return of this Commitment or receipt of any documentation upon written notice to the Borrower.

27. ASSIGNMENT BY BENEFICIAL OWNER AND/OR BORROWER

None of the beneficial owner, the Borrower or the Covenantor shall assign their rights and obligations pursuant to the Commitment, and/or the security required by the Commitment in whole or in part, without the Lender's prior written consent, which consent may be withheld in the Lender's sole and absolute discretion.

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28. MORTGAGE REGISTRATION

It is understood that neither the preparation nor the registration of any of the documents contemplated herein shall bind the Lender to advance the funds or any unadvanced portion thereof, it being agreed that the advance of funds or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Lender.

29. ENUREMENT

This Commitment shall enure to the benefit of the Lender and its successors and assigns and be binding upon the heirs, personal representatives and permitted successors, and assigns of the Borrower, and the Covenantor including any successors by virtue of any amalgamation or other corporate reorganization and including any trustee in bankruptcy.

30. CONFIDENTIALITY

The Borrower and Covenantor acknowledge and agree that the terms and conditions recited herein are confidential between the Borrower, the Covenantor and the Lender. The Borrower and Covenantor agree not to disclose the information contained herein to a third party without the express written consent of the Lender.

31. ASSIGNMENT AND SYNDICATION

The Borrower hereby acknowledges that this Commitment, when accepted, and any security in furtherance thereof may be assigned by the Lender, or monies required to be advanced may be syndicated by the Lender from time to time.

32. CREDIT AUTHORIZATION AND CONSENT TO DISCLOSURE

The Lender may collect, retain, release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by it relating to any Borrower, or Covenantor, the Property or the Loan (both before and after the disbursement of funds and/or default thereunder) without restriction and without notice to or the consent of any Borrower and/or Covenantor (and each Borrower and Covenantor hereby irrevocably consents thereto):

- (a) to any other Lender or Investor who has an interest in the Loan;
- (b) to any proposed purchaser or subsequent owner of the Loan including any subsequent or proposed Lender and their respective third party advisors and agents, such as lawyers, accountants, auditors, consultants, appraisers and credit verification sources;
- (c) to the public or any private group in any offering memorandum, prospectus or other disclosure document relating to any sale, syndication or securitization of the Loan (including all initial and continuing disclosure requirements), regardless of format or scope of distribution;

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- (d) to the public or other interested persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or any related securitization or any interest therein, regardless of format or scope of distribution;
- (e) to any governmental authority having jurisdiction over any sale, syndication or securitization of the Loan or any trade of any interest therein;
- (f) to any other person in connection with the sale, syndication or securitization of the Loan, including insurers and rating agencies; and
- (g) to any other person in connection with the collection or enforcement proceedings taken under or in respect of the Loan.

Without limiting the foregoing, each Borrower and Covenantor hereby consents to the Lender obtaining all information as may be necessary from all available sources as to the creditworthiness of each Borrower and /or Covenantor and acknowledges that the Lender may collect or come into possession of personal information relating to certain individuals either comprising or otherwise connected with the Borrower and/or Covenantor which information may include contact information (mailing address, e-mail address, telephone number or fax number), financial information and status (bank account numbers, existing debts, personal net worth or credit history), date of birth, place of employment and social insurance number. Each Borrower and Covenantor acknowledges and agrees that such personal information may be used by Lender in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing the Lender may disclose and otherwise deal with personal information in the same manner and to the same persons as provided in the preceding paragraph without restriction and without notice to or the consent of any Borrower and/or Covenantor or any related individual. Each Borrower and Covenantor for itself and on behalf of its directors, officers, shareholders and principals, hereby consents to and authorizes such use and disclosure of all such personal information by the Lender and represents and warrants that it has full power and authority to give such consent and authorization.

33. MATERIAL ADVERSE CHANGES

In the event that at any time either before the advance of funds under the Loan and/or while any indebtedness remains outstanding pursuant to the Loan, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Covenantor or concerning the Lands or the financial condition and responsibility of the Borrower or any Covenantor or in the event that the Lender discovers any material adverse change in the value of the Lands or the financial status of the Borrower or any Covenantor or any lessee on which the Lender relied upon in making any advances pursuant to the Loan, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Covenantor or Lessee (as applicable) within 30 days after written notification thereof by the Lender to such Borrower or such Covenantor or lessee, the Lender shall be entitled to decline to advance any funds pursuant to the Loan and at its option terminate this Commitment or in the event that any funds have already been advanced, to declare any and all amounts advanced together with interest thereon and any costs incurred by the Lender to such date, to be forthwith due and payable.

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34. ENTIRE AGREEMENT

This Commitment, together with its schedules and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the subject matter of this Commitment and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto, and there are no other warranties or representations and no other agreements between the parties hereto in connection with the Commitment provided for herein except as specifically set forth in this Commitment and the Borrower's application relating thereto.

35. SCHEDULES

The following documents marked "X" are attached as schedules to this Commitment and form a part hereof:

- | | | |
|-------|------------|---|
| | Schedule A | Standard Construction Conditions |
| X | Schedule B | Standard Charge Terms and Conditions |
| X | Schedule C | Certificate of Identification |
| X | Schedule D | Pre-authorized debit form for automatic deduction from bank account of Borrower to which must be attached a specimen cheque |
| | Schedule E | Specimen of an irrevocable letter of credit to be remitted to the Lender for the Performance Deposit |
| X | Schedule F | Tenant Acknowledgment |
| X | Schedule G | Certified Rent Roll (or a certified rent roll in a form acceptable to the Lender) |
| | Schedule H | Draw Request |
| <hr/> | | |
| | Schedule I | Draw Certificate |
| X | Schedule J | Tax Waiver Side Letter |
| X | Schedule K | Subordination and Non-Disturbance Agreement |
| <hr/> | | |
| X | Schedule L | Insurance Requirements |
| X | Schedule M | Certificate of Independent Legal Advice and/or Representation |
| X | Schedule N | Subordination and Standstill Agreement |

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- Schedule O Sample form of Architect's Certificate of Opinion
- Schedule P Deficiency and Completion Agreement
- X Schedule Q Certificate of Independent Legal Advice

36. DATES OF EXPIRY

- 36.1 The Security documents shall be executed and delivered to the Lender's solicitors for registration no later than three (3) business days prior to the First Advance Date and the advance of funds must take place no later than the First Advance Date.
- 36.2 If on or before the date specified in Section 36.1 the security documents provided to the Borrower or its solicitors have not been delivered for registration and the advance of the proceeds of the Loan has not been disbursed by the First Advance Date, the Lender may at any time thereafter, in its sole discretion, terminate its obligations under the terms of this Commitment and/ or the Security and may retain the Standby Deposit as liquidated damages.
- 36.3 The Lender may, at its sole option from time to time, elect to extend the above-mentioned date by which the Security documents are to be executed and registered and/or the date by which the Loan is to be disbursed or any of the other time periods contained in this Commitment. Time shall remain of the essence of this Commitment and all other terms and conditions shall remain unchanged.

37. WAIVER

The terms and conditions contained in this Commitment are inserted for the exclusive benefit of the Lender and may be waived in whole or in part by the Lender at any time. No advance, either singularly or collectively, shall constitute a waiver of any of the Borrower's obligations nor obligate the Lender to make further advances.

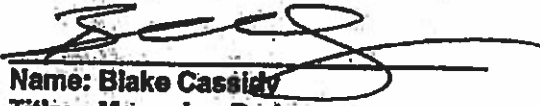
The Lender's failure to insist upon a strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver, or relinquishment for the future of such obligation or covenant, option or right, but the same shall remain in full force and effect and the Lender shall have the right to insist upon the strict performance by the Borrower of any and all of the terms and provisions of this Commitment and the security documentation.

38. COUNTERPART

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Agreement. Counterparts may be executed either in original or faxed form and the parties adopt any signature received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

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ROMSPEN INVESTMENT CORPORATION

By: 
Name: Blake Cassidy
Title: Managing Partner

I have authority to bind the corporation.

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ACCEPTANCE

We hereby accept the terms and conditions set out in this Commitment and submit the Standby Deposit, on this


_____ (19TH) day of JULY, 20 11.

BORROWER(S)

6711162 Canada Inc.

1794247 Ontario Inc.

Per: 
Name: ZORAN COCOV
Title: DIRECTOR

Per: 
Name: ZORAN COCOV
Title: DIRECTOR

I have authority to bind the Corporation.

I have the authority to bind the Corporation.

COVENANTOR(S)

We hereby accept the terms and conditions of this Commitment and we the Covenantor(s) hereby agree to guarantee, jointly and severally and unconditionally, all obligations of the Borrower with respect to the Loan.


Covenantor: Zoran Cocov

Witness:


Covenantor: Altaf Soorty

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ACCEPTANCE

We hereby accept the terms and conditions of this Commitment and submit the Standby Deposit on file

2011 day of July 2011

BORROWER(S)

67-11162 Canada Inc

1704277 Ontario Inc

Per: ALTA
Name:
Title:

Per: ALTA
Name:
Title:

I have authority to bind the Corporation

I have the authority to bind the Corporation

COVENANTOR(S)

We hereby accept the terms and conditions of this Commitment and we the Covenantor(s) hereby agree to guarantee, jointly and severally, in full and unconditionally, all obligations of the Borrower with respect to this Loan

Covenantor: Zoran

Covenantor: ALTA

Initials



Our File: 8110

June 12, 2012

Mr. Zoran Cocov
Mr. Altaf Soorty
12 Regentview Drive
Brampton, Ontario
L6G 3Z2

Dear Sirs:

Re: \$16,000,000 Mortgage Financing

Reference is made to the Commitment (the "Commitment") dated as of July 18, 2011, among Romspen Investment Corporation (the "Lender"), 671162 Canada Inc., and 1794247 Ontario Inc. (the "Borrower"), and Zoran Cocov and Altaf Soorty (collectively the "Covenantor").

All capitalised words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Supplement No. 1 (this "Supplement").

The parties hereto wish to amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendments

The Commitment is hereby amended as follows:

- (a) Section 2 "Borrower" as set out in the Commitment is amended by adding "Casino R.V. Resorts Inc." as a Borrower;
- (b) Section 4 "Property" as set out in the Commitment is amended by adding the following:

Property 5

Municipal Address: 54 Laguna Drive, Brechin, Ontario

Legal description: Lot 426, Plan M27, Mara (PIN 74021-0372)

Property Description: Residential dwelling.

Use of the Property: Residential. The property shall at all times be used for this and no other purpose.

Borrower represented Value of the Property: \$560,000

Permitted Encumbrances: First mortgage having an outstanding balance not greater than \$200,000

Property 6

Municipal Address: 5638 Willison Sideroad, Township of Ramara, County of Simcoe

Legal description: Range Front Lot 3, Part Lot 4, Plan RP51R-8435, less Part 2, Plan 51R17208, Township of Ramara, County of Simcoe

Property Description: Residential dwelling.

Use of the Property: Residential. The property shall at all times be used for this and no other purpose.

Borrower represented Value of the Property: \$1,260,000

Permitted Encumbrances: None

The last sentence of Section 4 is amended by adding the words "and Property 5 and Property 6" after the words "Property 4".

(c) Section 5 "First Advance Date" is amended by adding the following sentence: "A further advance (the "Further Advance") shall take place on or about June 14, 2012."

(d) Section 8 is amended by adding the following paragraph:

"The Further Advance shall be used to provide mortgage financing for the acquisition of Property 6 and to pay fees and transaction costs."

(e) Section 9.1 is amended by adding "and a second ranking mortgage and charge on Property 5 and a first ranking mortgage and charge on Property 6, each in the amount of Four Hundred Seventy Thousand Dollars (\$470,000)" before the words "charging the Property".

(f) Section 10 "Transaction Fees and Related Costs" as set out in the Commitment as amended by adding the following:

Second Advance fees and transaction costs

Administration Fee:	\$ 1,000
Lender's Advance Fee	\$ 1,000
Lender's Fee	\$17,000
Insurance Risk Management Fee:	\$ 1,000 +

Lender's Basic Legal Fee (estimated) \$ 1,500 *

Total Fees* \$21,500 *

(g) Section 17 "Partial Discharges" is amended by adding the following paragraph:

"The Borrower shall, when not in default, have the right to pay the whole of the principal amount outstanding together with all accrued interest and Lender's standard discharge fees against Property 5 and Property 6, upon giving the Lender one (1) week written notice in advance of payment."

(h) Section 20 "Share Capital of the Borrower" is amended by adding the following:

Casino R.V. Resorts Inc.

Number of shares	Class	Shareholders

2. Representation and Warranty

To induce the Lender to enter into this Supplement, the Borrower hereby reaffirms to the Lender that, as of the date hereof, its representations and warranties contained in the Commitment and Supplement No. 1, as amended by this Supplement, and except to the extent such representations and warranties relate solely to an earlier date, are true and correct and additionally represents and warrants as follows:

(a) the execution and delivery of this Supplement and the performance by it of its obligations under this Supplement: (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approval (if any were required), and (iv) do not and will not contravene or conflict with any provision of applicable law or any of its constating documents or of any material agreement, judgment, license, order or permit applicable to or binding upon it; and

(b) the Commitment, as amended by this Supplement, is and will continue to be a legal, valid and binding obligation of it, enforceable in accordance with its terms except s such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity.

3. References

Each of the parties hereto acknowledges that all references to "this Commitment" in the Commitment shall mean the Commitment, as amended by Supplement No. 1, and as amended by this Supplement.

4. Miscellaneous

Nothing in this Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the Security or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Supplement.

The terms and conditions of this Supplement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the Borrower and each Covenantor hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

In the event of any inconsistency between the terms and conditions of this Supplement and the terms and conditions of the Commitment, this Supplement shall prevail.

This Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[signatures to follow]

Yours truly,

ROMSPEN INVESTMENT CORPORATION

By: _____

**Name: Blake Cassidy
Title: Managing Partner**

I have authority to bind the Corporation.

The undersigned accept this Supplement as of this ____ day of June, 2012.

BORROWER(S)

6711162 CANADA INC.

Per: _____
**Name: Zoran Cocov
Title: Director**

I have authority to bind the Corporation.

CASINO R.V. RESORTS INC.

Per: _____
**Name: Altaf Soorty
Title: Director**

I have authority to bind the Corporation

1794247 ONTARIO INC.

Per: _____
**Name: Zoran Cocov
Title: Director**

I have authority to bind the Corporation

COVENANTOR(S)

Covenantor: **ZORAN COCOV**

Covenantor: **ALTAf SOORTY**

Witness: _____

Witness: _____



Our File: 8110

August 15, 2012

Mr. Zoran Cocov
 Mr. Alai Soorty
 12 Regentview Drive
 Brampton, Ontario
 L6G 3Z2

Dear Sirs:

Re: \$16,000,000 Mortgage Financing

Reference is made to the Commitment (the "Commitment") dated as of July 18, 2011, as amended by Supplement No. 1, dated as of June 12, 2012, among Romspen Investment Corporation (the "Lender"), 671162 Canada Inc. and 1794247 Ontario Inc. (the "Borrower") and Zoran Cocov and Alai Soorty (collectively the "Covenantor").

All capitalized words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Supplement No. 2 (this "Supplement").

The parties hereto wish to amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendments

The Commitment is hereby amended as follows:

- (a) Section 2 "Borrower" as set out in the Commitment is amended by adding "Hugel Lofa Limited, 2033367 Ontario Inc., 1564168 Ontario Inc. and 1387267 Ontario Inc." as Borrowers.
- (b) Section 3 "Covenantor(s)" is amended by:
 - (i) Adding Dita Cocov as a covenantor, and
 - (ii) Adding the following sentence at the end of the Section: "The coverage of Dita Cocov is limited to the amount she is entitled to receive as described in Ontario Court of Justice action C1-100070-2011 commenced at Toronto."
- (c) Section 4 "Property" as set out in the Commitment is amended by adding the following:

Property 7

Municipal Address:

161 Marina Park Drive, 650 Vindin Street, 581 Victoria Street, Midland, Ontario

Legal Description:

Part Lots 108 & 109 Concession 1, Twp. Parts 6, 7 & 8, 61R-33555 Surface Rights Only, Part Lots 108 & 109 Concession 1, Twp and part of the Water Lot in front of Lot 109, Concession 1, Twp being Part 1 on Plan E1R33555 Part of the Water Lot in front of Lot 109, Concession 1, Twp being Part 2 on Plan E1R33555, Midland (PIN 58452-0389, 58452-0394 and 58452-0395)

Property Description:

Four storey residential condominiums containing 54 residential units and a single level below grade parking structure. The building has a floor plate area of approximately 17,500 square feet. The property also has excess residential lands with zoning approval for 250 units.

Use of the Property:

Residential development. The property shall at all times be used for this and for no other purpose.

Borrower represented Value of the Property:

\$16,000,000 for the residential condominium upon completion
\$4,000,000 for the excess residential lands

Permitted Encumbrances:

none

Property 8

Municipal Address:

50 Kerr Street, Cambridge, Ontario

Legal Description:

Part of Lots 1-2, 4 and Lot 3, N/S Kerr Street & W/S Shade Street, Registered Plan 615, Cambridge, being Part 1 on Reference Plan 57R2560 (PIN 08818-0060)

Property Description:

Vacant land.

Use of the Property:

Commercial Multi-Unit Residential (CRM1) to be developed with a 120 unit building. The property shall at all times be used for this and no other purpose. Borrower represents that due to ground water contamination it is exempt from development charges and building fees.

Borrower represented Value of the Property:

\$752,000

Permitted Encumbrances:

First mortgage in favour of Pezzack Financial Services and Canada Trust in the principal amount of \$300,000; such mortgage to be in good standing. This is a blanket mortgage over Property 8 and Property 9.

Property 9

Municipal Address:

not assigned - land at the intersection of Warrack and Wellington, Cambridge

Legal Description:

Part of Lots 12, 20 and 23, Registered Plan 455, Part Lots 1 and 20, Plan 455, Cambridge (being Part 20 on Plan 58R6401; Part of Lots 13, 52 and 57, Registered Plan 07 (Parts 19, 21, 22 & 23 on Reference Plan 58R6401; Part 28 & 27 on Reference Plan 58R13734), Cambridge (PINs 03816-0366, 03816-0369 and 03816-0079)

Property Description:

Vacant land

Use of the Property:

Commercial Multi-unit Residential to be developed with 78 residential units. The property shall at all times be used for this and no other purpose.

Borrower represented Value of the Property:

\$675,000

Permitted Encumbrances:

First mortgage in favour of Pezzack Financial Services and Canada Trust in the principal amount of \$300,000; such mortgage to be in good standing. This is a blanket mortgage over Property 8 and Property 9.

Property 10

Municipal Address:

not assigned - land on the west side of Wellington Street South, Cambridge

Legal Description:

Part land Plan 455, Cambridge closed by 276465, Pt 26 & 27, 58R13734; at 1573909, Cambridge, and Lot 51, Plan D7, Cambridge, Uw 375506, Cambridge (PINs 03816-0299 and 03816-0325)

Property Description:

Vacant land.

Use of the Property:

Commercial Multi-unit Residential to be developed with 35 residential units. The property shall at all times be used for this and no other purpose.

Borrower represented Value of the Property:

\$333,000

Permitted Encumbrances: None

The last sentence of Section 4 is amended by adding the words "and Property 7 and Property 8 and Property 9 and Property 10" after the words "Property 4"

(d) Section 5 (First Advance Date) is amended by adding the following sentence: "A further advance shall take place on or about August 29, 2012, in an amount to be determined by Lender in its sole discretion."

(e) Section 9 is amended by adding the following paragraph:

The next advance shall be used to provide funds to pay the existing mortgage financing in favour of Laurentian Bank of Canada on Property 7 (approximately \$3,100,000), replace existing loans of credit granted by Laurentian Bank of Canada with respect to Property 7 (approximately \$600,000), to provide funds to assist in completion of construction on Property 7 on a cost to complete basis in accordance with a project budget to be approved by Lender (including a contingency allowance satisfactory to Lender) (approximately \$7,000,000) and to pay further fees and transaction costs.

(f) Section 9.1 is amended by adding "and a first ranking mortgage and charge on Property 7, and a second ranking mortgage and charge on Property 8, and a second ranking mortgage and charge on Property 9, and a first ranking mortgage and charge on Property 10" each in the amount of Sixteen Million (\$16,000,000) before the words "charging the Property"

(g) Section 9 is further amended by adding:

9.14 covenant to sell Properties 1, 2, 3 and 4 on or before the Loan Maturity Date, funds from such sale to be applied to reduce the Loan.

9.15 assignment of offset tax incentives/contaminated sites grants with respect to Property 8.

9.16 assignment of all proceeds due to Zoran Cocov and Dita Cocov under Court File No. CV-10-9970-0001. Until such time as the litigation is fully resolved, Zoran Cocov and Dita Cocov shall pledge all shares owned by them in Lyric Century Apartments Ltd. to Lender.

Section 10 "Transaction Fees and Related Costs" as set out in the Commitment is amended by adding the following:

Third Advance fees and transaction costs

Administration Fee:	\$ 1,000
Lender's Advance Fee	\$ 7,000
Lender's Fee	\$275,000
Insurance Risk Management Fee:	\$ 1,000
Lender's Basic Legal Fee (estimated)	\$ 20,000
Lender's construction advance fee	\$1,000/advance

ONLY IF SUCH ASSIGNMENT CAN BE DONE BY LAURENTIAN BANK OF CANADA WITHOUT REMOVAL OF COCOV IN ANY WAY

al m (m)

(Be)

500 (Be)

275,000 (Be)

20,000 Limited to 10,000 (Be)

ZC

↓

\$500/ADVANCE
32
WJ

Lender's construction advance legal fees \$1,000/advance

*Plus disbursements and taxes, if applicable

(i) Section 12 "Verbs and Conditions Precedent" is amended by adding:

12.24 satisfactory evidence of repayment of the advance made on or about June 14, 2012, together with all accrued interest and fees thereon;

12.25 satisfactory evidence that Hugel Homes Limited has been approved as a builder by Taron;

12.26 satisfactory evidence that all infrastructure necessary to service Property 7 is in place;

(j) Section 17 "Partial Discharge" is amended by deleting "The Borrower shall no right to obtain a partial discharge(s) of the Charge" and inserting the following paragraphs in its place:

Provided: (i) there has been no event of default and the Loan is in good standing; (ii) such partial discharge will not materially impact the value or enforceability of Lender's security (as determined by Lender in its sole discretion); (iii) Lender receives 30 days notice; (iv) Lender receives 100% of Net Sale Proceeds; and (v) Lender is paid its reasonable costs of providing such discharge, Lender will provide partial discharge(s) for Properties 1, 2, 3, 4, 5, 6, 8, 9, and 10.

Provided: (i) there has been no event of default and the Loan is in good standing; (ii) such partial discharge is permitted by law; (iii) such partial discharge will not materially impact the value or enforceability of the Lender's security; (iv) all appropriate and necessary easements and similar agreements are in place and the provisions of all land use planning requirements are met; (v) Lender receives 100% of Net Sale Proceeds; and (vi) the Lender is paid its reasonable costs of providing such discharge, the Lender will provide on request, partial discharges in respect of units comprising part of Property 7, upon the closing of a sale of a unit to a bona fide arm's length purchaser.

MAXIMUM \$500 PER MONTH

"Net Sales Proceeds" means the amount determined by subtracting from 100% of gross sales proceeds of the unit: (i) HST payable thereon (if payable by the Borrower); (ii) the closing costs which consist of reasonable (as compared to the sale of a similar property) fees and expenses of the Borrower's solicitors with respect to each such sale and the reasonable (as compared to the sale of a similar property) real estate commissions payable by the Borrower with respect to such sale.

WJ
32

(k) Section 20 "Share Capital of the Borrower" is amended by adding the following:

1994180 Ontario Inc.

Number of Shares	Class	Characterization

1994181 Ontario Inc.

Number of Shares	Class	Characterization

1994182 Ontario Inc.

Number of Shares	Class	Characterization

1994183 Ontario Inc.

Number of Shares	Class	Characterization

(1) Section 85 "Schedules" is amended by adding an "X" before Schedule A - Standard Construction Conditions.

2. Representation and Warranty

To induce the Lender to enter into this Supplement, the Borrower hereby reaffirms to the Lender that, as of the date hereof, its representations and warranties contained in the

Commitment and Supplement No. 1-L3 amended by this Supplement, and except to the extent such representations and warranties made solely to an earlier date, are true and correct and additionally represent and warrant as follows:

- (a) the execution and delivery of this Supplement and the performance by it of its obligations under this Supplement: (i) are within its corporate powers; (ii) have been duly authorized by all necessary corporate action; (iii) have received all necessary governmental approval (if any was required); and (iv) do not and will not constitute or conflict with any provision of applicable law or any of its controlling documents or of any material agreement, judgment, license, order or permit applicable to or binding upon it; and
- (b) the Commitment, as amended by this Supplement, is and will continue to be a legal, valid and binding obligation of it, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity.

3. Reference

Each of the parties hereto acknowledges that all references to "the Commitment" in the Commitment shall mean the Commitment, as amended by Supplement No. 1, and as amended by this Supplement.

4. Interpretation

Nothing in this Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the Security or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Supplement.

The terms and conditions of this Supplement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the Borrower and each Covenantor hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

In the event of any inconsistency between the terms and conditions of this Supplement and the terms and conditions of the Commitment, this Supplement shall prevail.

This Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[Signatures to follow]

Yours truly,

ROMSPEN INVESTMENT CORPORATION

By: 
Name: Blake Casady
Title: Managing Partner

I have authority to bind the Corporation.

The undersigned accept this Supplement as of this 17TH AUGUST day of AUGUST, 2012.

BORROWER(S)

8711182 CANADA INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation.

1564168 ONTARIO INC.

Per: 
Name: _____
Title: Director


I have authority to bind the Corporation.

2033357 ONTARIO INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation.

1367267 ONTARIO INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation.

1794247 ONTARIO INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation.

HUGEL LOUIS LIMITED

Per: 
Name: 201-AN COOVS
Title: Director

I have authority to bind the Corporation.

CASINO R.V. RESORTS INC.

Per: _____
Name: _____
Title: Director

I have authority to bind the Corporation.

Yours truly,

ROMSPEN INVESTMENT CORPORATION

By: 
Name: **Blake Cassidy**
Title: **Managing Partner**

I have authority to bind the Corporation.

The undersigned accept this Supplement as of this 17TH day of AUGUST, 2012.

BORROWER(S)

6711162 CANADA INC.

Per: 
Name: _____
Title: Director


I have authority to bind the Corporation.

1564168 ONTARIO INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation

2033387 ONTARIO INC.

Per: 
Name: _____
Title: Director

I have authority to bind the Corporation.

1387267 ONTARIO INC.

Per: 
Name: _____
Title: Director

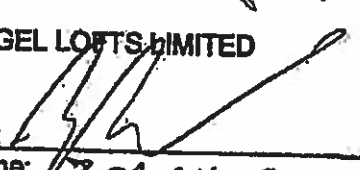
I have authority to bind the Corporation

1794247 ONTARIO INC.

Per: 
Name: _____
Title: Director

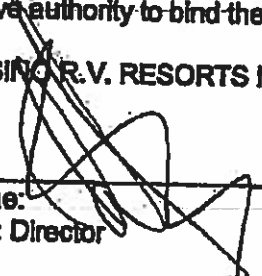
I have authority to bind the Corporation

HUGEL LOFTS LIMITED

Per: 
Name: ZORAN COCOV
Title: Director

I have authority to bind the Corporation

CASINO R.V. RESORTS INC.

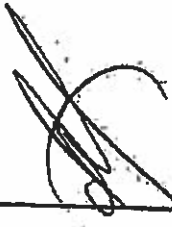
Per: 
Name: _____
Title: Director

I have authority to bind the Corporation

COVENANTOR(S)


Covenantor: ZORAN COCOV

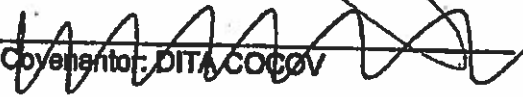
Witness:



Covenantor: ALTAF SOORTY

Witness:




Covenantor: DITA COCOV

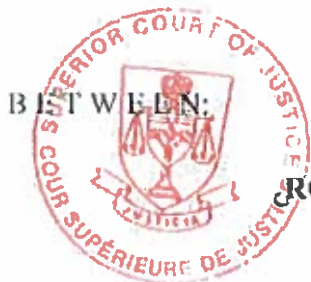
Witness:



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

THE HONOURABLE) MONDAY, THE 8TH
JUSTICE *CONWAY*) DAY OF JUNE, 2015



ROMSPEN INVESTMENT CORPORATION

Applicant

- and -

**6711162 CANADA INC., 1794247 ONTARIO INC., 1387267 ONTARIO INC.,
1564168 ONTARIO INC., 2033387 ONTARIO INC., HUGEL LOFTS LTD.,
ALTAf SOORTY, ZORAN COCOV and CASINO R.V. RESORTS INC.**

Respondents

ORDER


THIS MOTION, made by Rosen Goldberg Inc., in its capacity as Court-appointed receiver and construction lien trustee (the "Receiver") of the assets, undertakings and properties of 6711162 Canada Inc., 1794247 Ontario Inc., 1387267 Ontario Inc., 1564168 Ontario Inc., 2033387 Ontario Inc., Hugel Lofts Ltd., Altaf Soorty and Zoran Cocov (collectively, the "Debtors") for an order, *inter alia*, approving the activities and the

proposed activities described in the Second Report of the Receiver dated June 2, 2015 (the "Second Report"), was heard this day at 330 University Avenue, in Toronto, Ontario.

ON READING the Second Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although served as appears from the affidavit of Christina Corrente sworn June 4, 2015, filed:

1. THIS COURT ORDERS that the time for service of the Receiver's Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Receiver be and is hereby authorised to release the Paydown (as that term is defined in the agreement of purchase and sale between the Receiver and 1932425 Ontario Inc. dated May 27, 2015, a copy of which is marked as Appendix "I" to the Second Report) to Romspen Investment Corporation.
3. THIS COURT ORDERS that from the proceeds of the closing of the sale of the Marine Condo Land and the Midland Land (as those terms are defined in the Second Report), the Receiver shall set aside a reserve of \$249,515.38 in respect of statutory holdbacks under the *Construction Lien Act* (Ontario).
4. THIS COURT ORDERS that from the proceeds of the Marine Condo Land, the Receiver shall pay to Rona Inc. the sum of \$14,681.90 in full satisfaction of the statutory holdback owing to it under the *Construction Lien Act* (Ontario).
5. THIS COURT ORDERS that activities and proposed activities of the Receiver described in the Second Report be and are hereby approved.

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

 JUN - 8 2015

 _____

ROMSPEN INVESTMENT CORPORATION
Applicant

-and- 6711162 CANADA INC. et al
Respondents

Court File No. CV-14-10470-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

DICKINSON WRIGHT LLP

Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4
Fax: (416) 865-1398

DAVID P. PREGGER (36870L)

Email: dpreger@dickinsonwright.com
Tel: (416) 646-4606

LISA S. CORNE (27974M)

Email: lcorne@dickinsonwright.com
Tel: (416) 646-4608

Lawyers for the Receiver,
Rosen Goldberg Inc.

Appendix J

Rosen Goldberg Inc.; Court-Appointed Receiver of
6711162 Canada Inc., 1794247 Ontario Inc., 1387267 Ontario Inc.,
1564168 Ontario Inc. 2033387 Ontario Inc., Hugel Lofts Ltd. et al.

Interim Statement of Receipts and Disbursements

For the Period from May 5, 2014 to November 16, 2015

Receipts

Proceeds on sale of assets	6,000,000
Funds received from shareholders	4,300,000
Receiver's borrowings	250,000
Interest	7,933
	<hr/>
	10,557,933

Disbursements

Property taxes	189,485
Receiver's fees	192,500
Insurance	50,092
Sales taxes paid	32,206
Appraisal fees	28,150
Advertising regarding sales process	12,843
Property management	12,240
Utilities	1,586
Repairs and maintenance	1,317
Change of locks	693
Filing fees	560
	<hr/>
	521,672

Excess of receipts over disbursements before undemoted	10,036,261
Distribution to secured creditor	9,735,804
Distribution to lien claimant	14,682
	<hr/>
	9,750,486
Excess of receipts over disbursements	<hr/> <hr/>
	285,775

Notes

1. The statement of receipts and disbursements is prepared on a cash basis and does not include obligations of the Receiver incurred but not yet paid.