

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

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

**COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS, SIMPSON & ASSOCIATES
AND CAMEO INVESTMENTS**

Defendants

In the matter of the *Class Proceedings Act, 1992*

**MOTION RECORD
(Returnable November 17, 2005)**

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Solicitors for the plaintiff

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TAB 1

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

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

**COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS, SIMPSON & ASSOCIATES
AND CAMEO INVESTMENTS**

Defendants

In the matter of the Class Proceedings Act, 1992

NOTICE OF MOTION

THE PLAINTIFF will make a motion on November 17, 2005 at 10:00 a.m. to a judge presiding over the Commercial List at 393 University Avenue in Toronto or as soon after that time as a motion can be heard.

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

THE MOTION IS FOR:

1. An order in the form of the draft order attached hereto as **Schedule "A"**, which order shall provide, among other things:

- (a) an order pursuant to section 101 of the *Courts of Justice Act* and Rule 41.02 of the *Rules of Civil Procedure*, appointing Michael J. Quilling as Receiver over the assets of Courtney Simpson-Wallis ("Simpson"), York Realty and the other defendants;
- (b) an order authorizing the Receiver so appointed full power to investigate all matters pertaining to the raising of funds by the defendants, including the powers to investigate the whereabouts of such funds (or assets referable to such funds), to compel the production of documents and examine third parties and full power to hold and preserve such funds or assets once ascertained pending further order of the court;
- (c) such further and other relieve as to this Honourable Court appears just.

THE GROUNDS FOR THE MOTION ARE:

1. A class proceeding has been commenced against the defendants for fraud, misrepresentation and breach of fiduciary duty with respect to a large number of victims or class members.
2. The defendant, Simpson, is a member of the Real Estate Council of Ontario ("RECO"), a broker under the *Real Estate and Business Brokers Act* and is the principal broker and controlling mind of the defendant, York Region Realty Inc. ("York Realty") and also of the defendant entities known as Wallis Simpson & Associates ("Simpson & Associates") and Cameo Investments ("Cameo").
3. In August and September 2005, Simpson, acting as a real estate broker, induced the plaintiff and others to enter into agreements of purchase and sale (the "Agreements") with respect

to commercial properties in Stouffville, Ontario. Many of the Agreements were with respect to the same property.

4. It was a term of the agreement of purchase and sale (the "Agreement") entered into by the plaintiff and his business partner, Mukesh Morar, that the plaintiff provide deposit funds in the amount of \$200,000 to York Realty. These deposit funds were to be held by York Realty in trust pending completion or termination of the Agreement. The plaintiff provided the deposit funds to York Realty in trust.

5. The defendants obtained deposit funds from numerous individuals in furtherance of a fraudulent scheme perpetrated by Simpson. The Agreements entered into by the class members at the inducement of Simpson were fraudulent. The actual property owners have denied signing the purported Agreements.

6. Simpson represented to the plaintiff and to the class members that:

- (a) She was the broker with the authority to negotiate the purchase and sale of various commercial properties and that she acted on the authority of the various vendors involved;
- (b) The deposit funds would be held in trust by York Realty pending completion or termination of the agreements of purchase and sale;
- (c) She was in the process of obtaining the documents necessary to complete the transactions; and
- (d) She could return their deposit funds or had already sent them a cheque in the amount of their deposit funds.

7. All of these representations were untrue. The plaintiff and the class members relied on the defendants' representations to their detriment. None of the agreements of purchase and sale were valid.

8. Approximately \$6,000,000 was raised by the defendants pursuant to the fraudulent scheme set out above.

9. It is submitted that it is just and convenient for the court to appoint a receiver in order to ascertain the whereabouts of the funds raised (or assets referable to the funds) and to preserve the funds or assets referable to the funds pending the final disposition of the action.

10. Without the appointment of a receiver, it is submitted that the class members' right to recovery against the defendants will be seriously jeopardized.

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

1. The pleadings;
2. The affidavit of Udayan Pandya (sworn November 16, 2005);
3. The affidavit of Richard Kwasniewicz (sworn November 16, 2005);
4. Such other material as counsel may advise and this Honourable Court may permit.

DATE: November 16, 2005

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Solicitors for the plaintiff

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587 Cam Fella Boulevard
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L4A 7H3

AND TO: YORK REGION REALTY INC.
19 Thicketwood Boulevard
Stouffville, ON L4A 1K1

AND TO: WALLIS SIMPSON & ASSOCIATES
37 Sandiford Drive
Suite 301
Stouffville, ON L4A 7X5

AND TO: CAMEO INVESTMENTS
200 Bond St. W.
Oshawa, Ontario
L1J 2L7

TAB A

SCHEDULE "A"

Court File No. 05-CL-6159

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE
 JUSTICE

)
)
)

THURSDAY, THE 17TH DAY OF
 NOVEMBER, 2005

BETWEEN:

UDAYAN PANDYA

Plaintiff

- and -

COURTNEY WALLIS SIMPSON, YORK REGION
 REALTY INC., WALLIS SIMPSON & ASSOCIATES
 AND CAMEO INVESTMENTS

Defendants

In the Matter of the *Class Proceedings Act, 1992*

ORDER FOR AN APPOINTMENT OF AN INTERIM RECEIVER

THIS MOTION made by the plaintiff for an order appointing a receiver of Courtney Wallis Simpson ("Simpson") personally and for York Region Realty Inc. ("York Reality") and the other defendants pursuant to s. 101 of the *Courts of Justice Act* with investigatory and preservation powers was heard by the court this day at 393 University Avenue, Toronto.

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

THE HONOURABLE)	THURSDAY, THE 17 TH DAY OF
)	
JUSTICE)	NOVEMBER, 2005

BETWEEN:

UDAYAN PANDYA

Plaintiff

- and -

COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS SIMPSON & ASSOCIATES
AND CAMEO INVESTMENTS

Defendants

In the Matter of the *Class Proceedings Act, 1992*

ORDER FOR AN APPOINTMENT OF AN INTERIM RECEIVER

THIS MOTION made by the plaintiff for an order appointing a receiver of Courtney Wallis Simpson ("Simpson") personally and for York Region Realty Inc. ("York Reality") and the other defendants pursuant to s. 101 of the *Courts of Justice Act* with investigatory and preservation powers was heard by the court this day at 393 University Avenue, Toronto.

UPON READING the affidavits of Udayan Pandya and Richard Kwasniewicz and on hearing the submissions of counsel for the plaintiff, no one appearing for the defendants despite short notice of this matter,

1. **THIS COURT ORDERS** that Michael J. Quilling be appointed a receiver (the "Receiver") over the assets of Simpson, York Realty and the other defendants pursuant to s. 101 of the *Courts of Justice Act* with the powers and duties hereinafter set out.
2. **THIS COURT ORDERS** that the defendants be given leave on three days notice to the plaintiff and the Receiver to bring any motion they might see fit to vary this order.
3. **THIS COURT ORDERS** that Bennett Jones LLP be appointed as counsel to the Receiver, that the Receiver shall, in its discretion be entitled to share information received by it with the plaintiff but that the information obtained under this order shall not, without further direction and order, of this Court, be used in any criminal proceedings.
4. **THIS COURT ORDERS** that the Receiver shall have the power to engage consultants, agents, employees, experts, auditors, accountants, managers, solicitors and counsel and such other assistants from time to time and on whatever basis, including on a temporary basis, as it may consider an the business of any of the defendants or generally exercising the powers and duties conferred by this Order.
5. **THIS COURT ORDERS** that the Receiver may apply to this Court for advice and directions relating to the proper exercise of its powers hereunder, or for any variations to this Order.

Preservation of Assets

6. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized for and on behalf of and in the name of any of the defendants to take possession and control of all of the present and future assets, undertaking and property of the defendants and any funds, proceeds or other assets directly or indirectly related to the funds allegedly raised by the defendants as alleged in the statement of claim (the "Property") and any and all proceeds, receipts and disbursements arising out of or from the Property, until further order of this Court, and to act at

once in respect of the Property. Without in any way limiting the generality of the foregoing and in furtherance thereof, the Receiver is hereby expressly empowered and authorized on the Receiver's behalf, but not obligated:

- (a) to take such steps as in the opinion of the Receiver are necessary or appropriate to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable, provided that the Receiver shall not evict or dispossess any occupant of any residential dwelling without further order of this Court made on notice to such occupant;
- (b) to take such steps as in the opinion of the Receiver are necessary or appropriate to maintain control over all receipts and disbursements arising out of or from the Property;
- (c) to receive and collect all monies, debts, claims, choses in action and accounts now owed or hereafter owing to any of the defendants in respect of the Property and to exercise all remedies of any of the defendants in collecting all such monies, including, without limitation, to enforce any security held by any of the defendants and to receive and recover all funds, monies, cash, cash equivalents, negotiable securities, accounts and any other assets on deposits to banks, brokerages and other financial or other institutions;
- (d) to join in and execute, assign, issue and endorse such transfers, conveyances, contracts, leases, deeds, bills of sale, cheques, bills of lading or exchange, or other documents of whatever nature in respect of any of the Property, in the name and on behalf of any of the defendants, which are necessary, desirable or convenient in, the opinion of the Receiver for any purpose pursuant to this Order;
- (e) to initiate, prosecute and continue the prosecution of any and all proceedings as may in its judgment be necessary or desirable to properly protect or realize upon

C+

replace B

replace I

the Property and to defend all proceedings now pending or hereafter instituted against any of the defendants or the Receiver, the prosecution of or defence of which will, in the judgment of the Receiver, be necessary to properly protect or realize on the Property or to protect the administration by the Receiver of the affairs of any of the defendants and the Property, and to settle or compromise any such proceedings which in the judgment of the Receiver should be settled;

- (f) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part thereof and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate, provided that any such sale or disposition of Property shall, if the defendants do not consent to the same, be subject to the Court's approval;
- (g) to report to, meet with and discuss with such creditors of the defendants and their advisors as the Receiver deems appropriate including holding town hall or other meetings on all matters relating to the Property and receivership; and
- (h) to register this order in any public registry against title to any of the Property. Without limiting the generality of the foregoing this court orders that this order be registered against the real property and other assets described at Schedules "B" and "C" hereto.

add K+

7. **THIS COURT ORDERS** that no person having notice of this order shall interfere with, obstruct or in any way hinder the Receiver in the fulfilment or pursuit of its duties hereunder and that all such persons are under an obligation to deliver up to the Receiver any Property or other thing to which the Receiver is entitled to under this order. In the event that any person contests that any asset, document or thing is Property under this order or is document or record properly producible to the Receiver then that person shall first deliver up the asset in question to the Receiver or to such third party as the Receiver in its discretion may agree for safekeeping and the person contesting the Receiver's right may thereafter, if so advised, bring an application to this Court for directions.

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8. **THIS COURT ORDERS** that the Receiver may receive information from persons as to the details of their deposit of trust funds investments with ^{the RS} ~~Simpson and the other defendant~~, but that the Receiver shall not be under any obligation to call for claims, validate claims or make recommendations with respect the disbursement of funds to investors without further order of this Court.

add 3

9. **THIS COURT ORDERS** that no demands, actions, motions, steps, registrations, perfections, administrative proceedings, self-help remedies, or any other acts, proceedings or private remedies whatsoever in respect of the Property, including without limitation, the enforcement of security, liens or collection of any debt or liability, the exercise of any debt or liability, the exercise of any landlord's right to distrain or terminate any lease, the acceleration, amendment or termination of any contract, including any contract of insurance, the exercise of any right of set-off or combination of accounts, the exercise of any construction, mechanics' repair, storage or other lien, or the commencement or continuation of any proceedings under any Environmental Laws (as hereinafter defined) in any jurisdiction in which the Property may be located, shall be taken against the Receiver, with respect to the Property or any part thereof, without the prior written consent of the Receiver or leave of this Court first being obtained upon not less than seven days' notice to the Receiver.

NO TRANSFERS OF PROPERTY

10. **THIS COURT ORDERS** that the ^{RS} defendants and anyone having knowledge of this order be and they are hereby restrained, pending consent of all parties or further order of this Court:

(a) from removing from ^{Alberta or} Ontario or in any way disposing, dealing with or diminishing the value of any of the defendants' property, whether real or personal, present or future, held in ^{Alberta} Ontario or elsewhere, whether held in the defendants' names or not, pending the final determination of this action ^{subject to} or further order of this Court;

(b) from withdrawing or causing or permitting the withdrawal of or transferring of funds or issuing of cheques or other instruments from any of the ^{RS} defendants' bank accounts or investment accounts of any nature whatsoever, whether held individually or jointly with any other person, pending the final determination of

subject to
~~this action or further order of this Honourable Court, provided that the defendants~~
 shall have leave to seek variation of this order in order to permit the withdrawal of
 a reasonable amount as ordinary living expenses provided that if any such order is
 sought the defendants must have fully complied with this order in all respects
 including the provision to the Receiver of the information required to be provided
 to the Receiver.

Documents and Investigations

11. **THIS COURT ORDERS** that the Receiver shall forthwith be entitled to take possession of and examine the defendants' books and records and make such inquiries as it deems prudent and necessary of the defendants' bankers, accountants, auditors, advisors, managers, experts, solicitors, agents, officers, employees and others in order to determine the financial status of the defendants, and shall conduct a review and, if necessary, a detailed examination of the financial records of the defendants.

12. **THIS COURT ORDERS** that the Receiver shall report to this Court at such times and in such fashion as this Court may direct.

13. **THIS COURT ORDERS** that the ^{RE}defendants and their accountants, auditors, advisors, agents, managers, experts, solicitors, agents, officers and employees, including, without limitation, any accountants, bankers or financial, legal, advisors and the persons set out in Schedule "A", (the "Affected Persons") shall forthwith provide to the Receiver all of the books and records relating to the defendants' financial history and dealings, including, without limitation, all ledgers, bank statements and records, cheques, financial statements, receipts, vouchers, deposit slips, contracts, agreements, accounting records, computer records (including but not limited to tapes and/or discs) or other documents or records of any kind or nature, howsoever stored or maintained, relating to the defendants (the "Documents"). Provision of the Documents to the Receiver shall not breach any confidentiality or other non-disclosure obligations the Affected Persons might otherwise have to the defendants and it shall be deemed that the defendants shall have consented to the release of the Documents. The Receiver shall

allow the defendants and their advisors reasonable access to and the ability to make copies of any and all such books and records in the possession of the Receiver. The defendants shall allow the Receiver to make, retain and take away copies of any or all of the Documents and shall forthwith grant to the Receiver access to and use of accounting, computer, software and physical facilities relating thereto promptly at the request of the Receiver.

14. **THIS COURT ORDERS** that if any of the Documents is stored or otherwise contained on a computer or other electronic system of information storage, the defendants and all Affected Persons shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to obtain a full copy of the Documents, whether by way of printing same onto paper or making copies of computer discs or such other manner of retrieving and copying same as the Receiver in its discretion deems expedient. For the purposes of this paragraph, the defendants and the Affected Persons shall provide the Receiver with all such assistance in gaining access to the Documents as the Receiver may in its discretion require, including, without limiting the generality of the foregoing, forthwith providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, passwords or other codes as may be required to gain access to the Documents.

15. **THIS COURT ORDERS** that Internet service providers or persons, corporations or individuals who provide e-mail, World Wide Web, file transfer protocol or other Internet connection services to the defendants and/or its present and former directors, officers, employees and agents to access the Internet or World Wide Web e-mail or other similar services, deliver to the Receiver, documents, server files, archive files or any other information in any form in any way recording messages, emails or other information sent or received by the defendants and/or its present and former directors, officers, employees and agents in the course of their association and in conducting their duties related to the operations and affairs of the defendants.

16. **THIS COURT ORDERS** that the Receiver shall have ongoing access to the defendants' current and future bank account statements and other financial records, copies of which shall be provided to the Receiver as and when demanded by the Receiver. The defendants and the third parties shall co-operate and consent to the distribution of such records to the Receiver.

17. **THIS COURT ORDERS** that the Receiver is empowered to demand production from third parties (including but not limited to the defendants' advisors, banks, financial institutions and the persons set out in Schedule "A") of documents relating to:

- (a) the defendants' financial affairs;
- (b) the deposit of funds received in connection with the sale of commercial real estate;
- (c) the identities of the persons who have provided deposit funds to Simpson and the other defendants;
- (d) the bank accounts or other financial records referable to the accounts into which such funds were deposited including documents referable to any withdrawal, transfer or dissipation of funds in such accounts; and
- (e) commissions, fees, expenses or other amounts paid to any persons in connection with the sale of such securities and any agreements, arrangements or any other communication with respect to the payment of such amounts;
- (f) and further directs that all such third parties (including all Affected Persons) shall co-operate fully with the Receiver, subject to claims of legal privilege.

18. **THIS COURT ORDERS** that the Receiver is empowered to compel the attendance, on two clear days written notice by letter from the Receiver or its counsel, of persons believed by the Receiver to have knowledge of the defendants' affairs for the purpose of being examined under oath by the Receiver or by such person as to whom the Receiver has or may delegate this power. In particular, and without limiting the general nature of the power conveyed by this paragraph, the Receiver is empowered for the purposes of performing its duties hereunder to examine under oath the persons named in Schedule "A" to this order and any persons who may have received transfers of assets or funds from the defendants, provided that nothing herein shall apply, without further order of this Court, to compel any person who has been actually charged with a criminal offence to so testify and that any persons who so testify shall have the right to invoke the protections of the *Canada Evidence Act* and the *Canadian Charter of Rights and*

Freedoms. If the persons to be examined have a personal residence or regular place of business within 60 kilometres of an office of Bennett Jones LLP (Toronto, Edmonton or Calgary) such examination shall take place at such office failing which it shall take place at any place where an examination of discovery may take place under the *Rules of Civil Procedure* in the province where the examination is conducted.

19. **THIS COURT ORDERS** that Simpson shall provide to the Receiver within 7 days of service of this order an affidavit under oath specifying her knowledge on the following matters:

- (a) specifics of all corporations, partnerships, or other entities in which she has a direct or indirect interest with particulars of the nature of such interest;
- (b) specifics of all bank, brokerage or other accounts, wherever situate, in her name, the name of York Region Realty Inc., the name of any of the entities in (a) hereof or over which she has any signing authority or any other direct or indirect control;
- (c) specifics of all bank, brokerage or other accounts, where funds were deposited, all accounts to which such funds may have been transferred and the present whereabouts of such funds;
- (d) whether any assets were purchased or acquired in whole or in part with such funds and, if so, the particulars of such assets and their present location with particulars of the assets involved name of the person or entity who holds title to such assets, the date of acquisition, acquisition cost and a current estimate of value; and
- (e) specifics of any disposition of assets (including transfer of funds) in excess of \$10,000 in the last 2 years and that this affidavit shall be deemed to have been provided by compulsion of law and its further use in any other court proceeding be subject to the protections of the *Canada Evidence Act* and the *Canadian Charter of Rights and Freedom*.

20. **THIS COURT ORDERS** that the Receiver is authorised to enter upon the business premises of the persons set out in Schedule "A" (collectively the "Premises") and to examine

anything and take away any documents or record found at the premises that the Receiver is authorised hereunder to require to be produced to it.

21. **THIS COURT ORDERS** that Wayne Simpson provide an affidavit to the Receiver within seven days of service of this order upon ^{her} setting out his knowledge, if any, of the matters referenced in paragraph 20 hereof and further setting out all assets owned by him, the value of such assets, the source of funds used to acquire such assets and any gifts or transfer of assets to him by the defendants in excess of \$10,000 in the last 2 years.

22. **THIS COURT ORDERS** that the Receiver shall have full power to investigate any gift, transfer, conveyance, settlement or any other disposition (a "Conveyance") of any interest in any assets, funds or any other property by the defendants to third parties (the "Conveyed Property") and to compel the production of information from any person with respect to such Conveyed Property and the circumstances surrounding the Conveyance as if such Conveyed Property was Property under this order and that the Receiver shall be at liberty to apply to the Court for any appropriate order relating to the preservation of any such Conveyed Property.

Other

23. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the fulfilment of its duties in carrying out the provisions of this order, save and except for any gross negligence or wilful misconduct on its part.

24. **THIS COURT ORDERS** that no proceedings shall be brought against the Receiver in any Court or other tribunal unless leave of this Honourable Court is first obtained on motion on at least seven days notice to the Receiver and the parties.

25. **THIS COURT ORDERS** that all the costs of this receivership including without limitation the Receiver's fees and disbursements (including the amounts which the Receiver is obliged to pay others) and the fees and disbursements incurred by Bennett Jones LLP in carrying

out its duties herein shall be a first charge on any assets recovered in the receivership herein, subject to approval of the quantum of costs by the Court. The Receiver shall have the right to apply to the Court for approval and payment of its fees and disbursements on an interim basis provided that 15 days notice shall be given to the defendants of any such application. The Receiver shall also have the power, if so advised, to move to have the receivership terminated and to be discharged as Receiver.

26. **THIS COURT ORDERS** that the plaintiff's costs of this motion shall be allowed in the same manner as the Receiver's fees and disbursements and shall be paid out by the Receiver as a second charge on any assets recovered in the receivership. 20-

27. **THIS COURT ORDERS** that the Receiver be granted leave to apply to the Court for approval to borrow and to provide whatever security as may be appropriate, if so advised.

28. **THIS COURT ORDERS** that neither the making of this order nor anything in this order shall deem the Receiver to be an owner of any of the Property for any purpose and that neither the making of this order nor anything in this order shall vest in the Receiver the care, ownership, control, charge, occupation, possession or management or require or obligate the Receiver to occupy or to take control, care, charge, occupation, possession or management of any of the Property which may be environmentally contaminated, or a pollutant or a contaminant, or cause or contribute to spill, discharge, release or deposit of a substance contrary to any to occupy or to take control, care, charge, occupation, possession or management of any of the Property which may be environmentally contaminated, or a pollutant or a contaminant, or cause or contribute to spill, discharge, release or deposit of a substance contrary to any legislation enacted for the protection or preservation of the environment including, without limitation, the *Canadian Environmental Protection Act*, the *Transportation of Dangerous Goods Act* (Canada), the *Environmental Protection Act* (Ontario), the *Emergency Plans Act 1963* (Ontario), the *Ontario Water Resources Act*, the *Occupational Health and Safety Act* (Ontario) or the regulations hereunder, or any federal or provincial legislation, or rule of law or equity in any jurisdiction affecting the environment, the transportation of goods, or hazardous waste (collectively, "Environmental Laws"). The Receiver shall not be deemed as a result of this order to be in

control, charge, occupation, possession or management of any of the Property within the meaning of any Environmental Laws.

29. **THIS COURT SEEKS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory, or administrative body in any province of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada and any court or any judicial, regulatory or administrative body of any other nations and states and the provinces, states or other subdivisions of such nations and states to act in aid of and to be complementary to this Court in carrying out the terms of this order.

Justice
Superior Court of Justice

Schedule "A"

1. Wayne Simpson
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Stouffville, Ontario
L4A 7H3
2. York Management Group
587 Cam Fella Boulevard
Stouffville, Ontario
L4A 7G9
3. Royal Bank of Canada
Transit No. 02982
47 Main Street
Markham, Ontario
4. Royal Bank of Canada
Davis and Highway 404 Branch
Toronto, Ontario
5. Canadian Imperial Bank of Commerce
Transit No. 01642
4360 Highway 7
Unionville, Ontario
6. Bank of Montreal
Town Square Branch
Richmond Hill, Ontario
7. TD Canada Trust
Town Square Branch
Richmond Hill, Ontario
8. TD Canada Trust
Davis and Highway 404 Branch
Toronto, Ontario
9. Bank of Nova Scotia
Davis and Highway 404 Branch
Toronto, Ontario
10. HSBC
Richmond Hill
11. Laurentian Bank
Newmarket, Ontario

Schedule "B"

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Stouffville, Ontario
L4A 7H3

② PIN 03715-0004
Whitechurch, Ontario

③ ¹⁰³⁸
Kawagama Lake Road
Dorset, Ontario

④ PIN 03710-0193/0194
Stouffville, Ontario

① Legal Description: PCL 19-1 Sec
65M 2296:

LT 19 PL

65R 2296:

Whitchurch-
Stouffville

② Legal Description

PT LT 30 PLS4

Stouffville; PT

LT 31 PLS4

Stouffville, PT

LT 40 PL 54

Stouffville; PT

LT 41 PLS4

Stouffville PTS

1, 7 65R 2555;

S/T R 221467,

R 221469

③ Legal Description:

Con 13 Pt Lot 1

RP 19R 3154, Parts 1, 6, 7

Dorset, Algonquin Highlands
Township

④ Legal Description:

PT LTS 49 + 50

PL 70 Stouffville

PT 2

65R 256J4

Whitchurch - Stouffville

Schedule "C"

1. Royal Bank of Canada
Transit No. 02982
47 Main Street
Markham, Ontario
2. Royal Bank of Canada
Davis and Highway 404 Branch
Toronto, Ontario
3. Canadian Imperial Bank of Commerce
Transit No. 01642
4360 Highway 7
Unionville, Ontario
4. Bank of Montreal
Town Square Branch
Richmond Hill, Ontario
5. TD Canada Trust
Town Square Branch
Richmond Hill, Ontario
6. TD Canada Trust
Davis and Highway 404 Branch
Toronto, Ontario
7. Bank of Nova Scotia
Davis and Highway 404 Branch
Toronto, Ontario
8. HSBC
Richmond Hill
9. Laurentian Bank
Newmarket, Ontario

Udayan Pandya
Plaintiff

v.

Courtney Wallis Simpson et al.
Defendants

Court File No.: 05-CL-6159

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

In the matter of the *Class Proceedings*
Act, 1992

Proceeding commenced at Toronto

ORDER

BENNETT JONES LLP
Barristers and Solicitors
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Lincoln Caylor / M. Joanne MacMillan
Tel: (416) 777-6121 / 4629
Fax: (416) 863-1716
LSUC Reg. No. 37030L/43529J

Solicitors for the plaintiff

Udayan Pandya
Plaintiff

v.

Courtney Wallis Simpson et al.
Defendants

Court File No.: 05-CL-6159

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

In the matter of the *Class Proceedings*
Act, 1992

Proceeding commenced at Toronto

NOTICE OF MOTION

BENNETT JONES LLP
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Tel: (416) 777-6121 / 4629
Fax: (416) 863-1716
LSUC Reg. No. 37030L/43529J

Solicitors for the plaintiff

TAB B

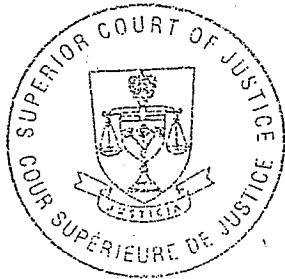
**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

UDAYAN PANDYA

Plaintiff

- and -



COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS SIMPSON & ASSOCIATES
and CAMEO INVESTMENTS

Defendants

In the Matter of the *Class Proceedings Act, 1992*

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: November ¹⁵/₁₄, 2005

Issued by



Local registrar

Address of court office: 393 University Avenue
Toronto, Ontario
M5G 2J6

TO: COURTNEY WALLIS SIMPSON
587 Cam Fella Boulevard
Stouffville, ON L4A 7H3

AND TO: YORK REGION REALTY INC.
19 Thicketwood Boulevard
Stouffville, ON L4A 1K1

AND TO: WALLIS SIMPSON & ASSOCIATES
37 Sandiford Drive
Suite 301
Stouffville, ON L4A 7X5

AND TO: CAMEO INVESTMENTS
200 Bond St. W.
Oshawa, Ontario
L1J 2L7

CLAIM

1. The plaintiff claims against the defendants, Courtney Wallis Simpson ("Simpson"), York Region Realty Inc., Wallis Simpson & Associates and Cameo Investments, as follows:

- (a) An order certifying this action as a class proceeding and appointing the plaintiff as representative plaintiff of the class, being those persons who are Canadian residents and who provided deposit monies in trust to the defendant Simpson and to the other defendants pursuant to fraudulent agreements of purchase and sale;
- (b) A declaration that the defendants have been unjustly enriched as a result of the above conduct and hold all proceeds raised by them, or assets referable to such proceeds, as constructive trustees for the class and in particular a declaration that Simpson and the other defendants hold the property described at Schedules "A" and "B" hereto in trust for the class;
- (c) damages for fraud, misrepresentation and breach of fiduciary duty in the amount of \$6,000,000;
- (d) The appointment of a receiver (or alternatively, inspector) pursuant to Section 101 of the *Courts of Justice Act* with full power to investigate all matters pertaining to the raising of funds by the defendants as hereinafter set out, including powers to investigate the whereabouts of such funds (or assets referable to such funds), to compel the production of documents and examine third parties and full power to hold and preserve such funds or assets once ascertained pending further order of the court or, alternatively an interim pre-trial discovery order (a *Norwich Pharmacal* order) requiring persons with knowledge or documents relating to the matters in this action to provide such information to the plaintiff;

- (e) Punitive, aggravated and exemplary damages in the amount of \$10,000,000;
- (f) Pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*;
- (g) The plaintiff's costs of this action on a substantial indemnity basis; and
- (h) Such further and other relief as to this Honourable Court appears just.

The Parties

2. The plaintiff is a resident of the City of Mississauga, Ontario.

3. The defendant Simpson is a member of the Real Estate Council of Ontario ("RECO"), a broker under the *Real Estate and Business Brokers Act* and is the principal broker and controlling mind of the defendant "York Region Realty Inc." ("York Realty") and also of the defendant entities known as "Wallis Simpson & Associates" ("Simpson & Associates") and "Cameo Investments" ("Cameo"). It is not known to the plaintiff at present whether Simpson & Associates and Cameo are trade names of corporations and, if so, the jurisdictions of their incorporations.

The Fraudulent Scheme

4. In September 2005 Simpson, acting as a real estate broker induced the plaintiff to enter into an agreement of purchase and sale (the "Agreement") with respect to a commercial property in Stouffville, Ontario. It was a term of the Agreement that the plaintiff and his business partner, Mukesh Morar, provide deposit funds in the total

amount of \$200,000 to York Realty. The plaintiff and Mr. Morar provided the deposit funds in trust to York Realty as required under the Agreement. These deposit funds were to be held by York Realty in trust pending completion or termination of the Agreement. Similar arrangements were made by the defendants with the other class members.

5. The receipt of deposit funds referenced at paragraph 5 above was made in furtherance of a fraudulent scheme perpetrated by the defendant Simpson. The purported vendors who are the actual property owners have denied signing the purported agreements of purchase and sale. Many of the agreements of purchase and sale purported to sell the same property. The defendants collected the deposits associated with the agreements of purchase and sale from more than one class member with respect to the sale of the same property. The agreements of purchase and sale entered into by the class members at the inducement of Simpson and the other defendants were fraudulent.

6. In particular Simpson represented to the plaintiff and to other class members that:

- (a) She was the broker or agent with the authority to negotiate the purchase and sale of various commercial properties;
- (b) Their deposit funds would be held in trust by York Realty pending completion or termination of the Agreements of Purchase and Sale;
- (c) She acted on the authority of the various vendors involved in the Agreements of Purchase and Sale;

(d) She was in the process of obtaining the documents necessary to complete the commercial real estate transactions; and

(e) She could return their deposit funds or had already sent them a cheque in the amount of their deposit funds.

7. All class members relied upon the representations set out in paragraph 7 above.

8. All of the representations set out in paragraph 7 above were untrue. There were no valid agreements of purchase and sale with respect to the various commercial properties.

9. The plaintiff states that representations made by Simpson were made for the purpose of inducing the class members to invest in various commercial real estate ventures, were made with the intention that they would be relied upon by class members in investing and were relied upon by class members to their detriment in their real estate investments with Simpson and the other defendants.

10. In the event the defendant entities involved are incorporated in Canada, the plaintiff states that it is fit and proper that an order for restitution or damages be made against Simpson personally given her leading role in the fraudulent conduct and as her actions were designed to secure personal benefit. The plaintiff states that Simpson has personally received benefits from the deposit funds, the particulars of which are known to Simpson.

Breach of Fiduciary Duty

11. The plaintiff pleads that Simpson owed a fiduciary duty to him and to the class members to perform her duties faithfully, honestly, diligently and in good faith. The plaintiff pleads that Simpson breached those duties by wrongfully converting the plaintiff's and the class members' deposit funds.

Appointment of a Receiver

12. The plaintiff at present has no present knowledge as to the whereabouts of the approximately \$6,000,000 raised by the defendants or proceeds pursuant to the scheme above. The plaintiff pleads that it is just and convenient for the Court to appoint a person as receiver (or alternatively, as inspector) in order to ascertain the whereabouts of the funds raised (or assets referable to the funds) to preserve the funds or assets referable to the deposit funds pending final disposition of the action herein, and the ascertain and pursue any insurance proceeds such as that which might be available through RECO.

13. The plaintiff pleads that he is entitled to an accounting of the property as it came into the hands of the defendants and that he is entitled to trace the same and charge the defendants' property to the extent that the class members' property is traced thereto.

14. The plaintiff pleads that it is just and correct for the receiver to assess all claims by the class members and to advise the court on the distribution of the defendants' assets to the class members.

Constructive Trust

15. The defendants have been unjustly enriched as a result of their raising of approximately \$3,000,000 to \$6,000,000 in funds and that they hold any such funds (or assets referable to such funds) as constructive trustees for the class members.

This Action Survives Bankruptcy

16. The plaintiff pleads that the liability of the defendants arises out of their fraud, misappropriation or defalcation while acting in a fiduciary capacity and the plaintiff pleads and relies upon Section 178 of the *Bankruptcy and Insolvency Act* with respect to same.

Punitive Damages

17. The defendants' actions were intentional, reckless, criminal, highhanded and callous and the plaintiff pleads that the class members are entitled to an award of punitive and exemplary damages in respect of same.

Joint and Several Liability

18. The plaintiff claims that the defendants are jointly and severally liable for the damages suffered by the class members.

19. The plaintiff proposes that this action be tried at Toronto.

Date of Issue: November 15, 2005

BENNETT JONES LLP
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M5X 1A4

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M. Joanne MacMillan
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Fax: (416) 863-1716
LSUC No. 28199C / 37030L / 43529J

Solicitors for the plaintiff

Schedule "A"

587 Can Fella Boulevard
Stouffville, Ontario
L4A 7H3

PIN 03715-0004
Whitchurch, Ontario

9 Kawagama Lake Road
Dorsett, Ontario

PIN 03710-0193/0194
Stouffville, Ontario

6072 Main Street
Stouffville, Ontario

Schedule "B"

1. Royal Bank of Canada
Transit No. 02982
47 Main Street
Markham, Ontario
2. Royal Bank of Canada
Davis and Highway 404 Branch
Toronto, Ontario
3. Canadian Imperial Bank of Commerce
Transit No. 01642
4360 Highway 7
Unionville, Ontario
4. Bank of Montreal
Town Square Branch
Richmond Hill, Ontario
5. TD Canada Trust
Town Square Branch
Richmond Hill, Ontario
6. TD Canada Trust
Davis and Highway 404 Branch
Toronto, Ontario
7. Bank of Nova Scotia
Davis and Highway 404 Branch
Toronto, Ontario
8. HSBC
Richmond Hill
9. Laurentian Bank
Newmarket, Ontario

Udayan Pandya
Plaintiff

Courtney Wallis Simpson et al.
Defendants

v.

Court File No.: 05-CL-6159

ONTARIO
SUPERIOR COURT OF JUSTICE
(Simplified Procedure)

Proceeding commenced at Toronto

STATEMENT OF CLAIM

BENNETT JONES LLP

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LSUC Reg. No. 28199C/43529J

Solicitors for the defendants

TAB 2

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

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS, SIMPSON & ASSOCIATES
AND CAMEO INVESTMENTS

Defendants

In the matter of the *Class Proceedings Act, 1992*

AFFIDAVIT OF UDAYAN PANDYA
(Sworn November 16, 2005)

I, Udayan Pandya, of the City of Mississauga in the Province of Ontario, MAKE OATH
AND SAY:

1. I entered into an agreement of purchase and sale negotiated by Courtney Wallis Simpson as a real estate broker in furtherance of what I believe to be a series of real estate frauds perpetrated by Simpson and the other defendants and as such I am a representative plaintiff in the above referenced proceeding. Accordingly, I have personal knowledge of the matters deposed to in this affidavit. Where I rely upon information received from others, I state the source of the information and verily believe it to be true.

Introduction

2. This affidavit is submitted in support of a motion seeking an order appointing Michael J. Quilling as receiver (the "Receiver") over the assets of Courtney Wallis Simpson ("Simpson"), York Region Realty Inc. ("York Realty") and the other defendants and authorizing the Receiver so appointed full power to investigate all matters pertaining to the raising of funds by the defendants, including the powers to investigate the whereabouts of such funds (or assets referable to such funds), to compel the production of documents and examine third parties and full power to hold and preserve such funds or assets once ascertained pending further order of the court.

3. I believe that without the appointment of a receiver, my right to recovery as against the defendants as well as the class members' rights to recovery will be seriously jeopardized.

The Parties

4. I am a resident of the City of Mississauga, Ontario.

5. The defendant, Simpson is a member of the Real Estate Council of Ontario ("RECO"), a broker under the *Real Estate and Business Brokers Act* and is the principal broker and controlling mind of the defendant, York Realty and also of the defendant entities known as Wallis Simpson & Associates ("Simpson & Associates") and, I believe, Cameo Investments ("Cameo").

The Scheme

6. On September 11, 2005, my business partner, Mukesh Morar and I signed a Purchase and Sale Agreement (the "Agreement") in respect of a property described as "Sunoco Retail Plaza" (the "Plaza") located at 5946 Main Street, Stouffville Ontario. Attached hereto and marked as **Exhibit "A"** to my affidavit is a copy of the Agreement.

7. Mr. Morar and I entered into the Agreement as would be purchasers of a commercial property. Simpson, as our broker, negotiated the Agreement and witnessed our signatures. It appears as though the landlord of the Plaza, Mr. Seng Seo, also signed and initialed the Agreement for the vendor which is listed as 1008522 Ontario Ltd. Mr. Seng subsequently told me that he did not sign the agreement. As such, I believe that Simpson forged the vendor's signature on the Agreement.

8. When we signed the Agreement, Mr. Morar on his own behalf and on my behalf provided deposits to Simpson, in the form of two TD Canada Trust cheques in the amount of \$100,000 each. I had previously provided Mr. Morar with my share of the deposit, \$100,000. The cheques were dated September 11, 2005 and made payable to York Region Realty Inc. in trust. The deposit funds have been withdrawn from Mr. Morar's account. Attached hereto and marked as **Exhibit "B"** to my affidavit are copies of the two deposit cheques.

9. When I signed the Agreement, Simpson promised to provide to me not later than by September 23, 2005, all of the outstanding documents including:

- (a) the Lease Agreements;

- (b) the Phase I and II Environmental Reports; and
- (c) the Operating Budget Statements.

10. The documents were not provided to me by September 23, 2005.

11. Between September 23, 2005 and October 3, 2005, I made numerous attempts to contact Simpson by cell phone, on her office phone and by email. Finally, on October 3, 2005, I was able to set up a meeting with Simpson. We arranged to meet at her office at 6072 Main Street in Stouffville at 6:00 pm. I called and confirmed this appointment with her on the morning of October 3, 2005.

12. Simpson did not show up for the meeting.

13. After trying a number of times to contact her on the evening of October 3, 2005, I left a note on her office door indicating that her lack of professionalism was frustrating.

14. Taking matters into our own hands, Mr. Morar and I contacted a tenant of the Plaza, Cadet Cleaners, on October 3, 2005, in order to obtain the phone number of the landlord of the Plaza. The tenant agreed to provide our phone number to the landlord.

15. Mr. Seng, president of 1008522 Ontario Limited and the landlord of the Plaza, called me on October 4, 2005. During the telephone conversation, Mr. Seng informed me that he had not signed any purchase and sale agreement for the Plaza. Further, he asked me what the purchase price of the Plaza was which I found unusual. Mr. Seng asked me to collect the lease agreements

from Simpson and advised me that he would provide Simpson with the financial statements. Mr. Seng requested that I not contact him or any of the tenants of the Plaza in the future.

16. On the same day, I contacted Simpson and arranged for a meeting at her office. I met her at 6:30 pm at her office on October 4, 2005 and questioned her about the landlord's comments to me. She explained that Mr. Seng does not like to identify himself or reveal any Agreement details over the phone.

17. At that meeting Simpson provided me with copies of the Lease Agreements. She informed me that an amended lease agreement between the landlord and Mac's Convenience Store (a tenant) would be made available by October 7, 2005. Further, she agreed to provide the Operating Budget and Recovery Expenses for the last three years by October 7, 2005. Finally, on my request, Simpson agreed to set up a meeting with the landlord of the Plaza as soon as possible. Attached hereto and marked as **Exhibit "C"** to my affidavit are copies of the lease agreements provided to me.

18. On review of the Lease Agreements that Simpson provided to me, I realized that the square footage and the net rent paid by the tenants were inconsistent with the initial information provided to me by Simpson.

19. I made numerous unsuccessful attempts to contact Simpson in order to get an explanation of this discrepancy.

20. Finally, on October 7, 2005, I approached my lawyer Mr. John Paul Evans and instructed him to send a letter to Simpson informing her of my intention to terminate the Agreement if the

documents were not delivered by October 21, 2005. When no response was received by Mr. Evans from Simpson, a follow up letter was sent to her dated October 18, 2005. Attached hereto and marked collectively as **Exhibit "D"** to my affidavit are copies of the letters from Mr. Evans to Simpson.

21. On the morning of October 21, 2005, I received a phone call from Simpson. She told me that the outstanding documents were ready for pickup. I agreed to meet her on October 23, 2005. She arrived one hour late for our meeting and advised me that:

- (a) the Phase II Environmental Report was received on October 21st 2005 and showed a high level of contamination on more than a dozen spots; and
- (b) the deal could not get financing because of this contamination.

22. As a result of our frustration and suspicion, Mr. Morar and I advised Simpson that we were terminating the Agreement and asked her for the return of our \$200,000 deposit.

23. Simpson told me that Mr. Morar, myself and the vendor would have to sign a Mutual Release form before the deposit funds could be withdrawn from the Trust Account. I signed the OREA Mutual Release form on October 23, 2005 and returned it to Simpson. Simpson told me that she would have the vendor sign it the following day.

24. Simpson promised to send me the \$200,000 deposit refund and the signed copy of the Mutual Release Form by FedEx on October 25, 2005.

25. When I did not receive the cheque by October 26, 2005, I called Simpson and she told me that it had been sent by regular mail and that I should receive it within two to three days.
26. I contacted her again on October 28, 2005 and she confirmed that the cheque was definitely in the mail and that I should be receiving it shortly.
27. To date, I have not received my deposit funds. I called York Regional Police on October 31, 2005 to report this matter. At that time, I was told by Officer Kim Mooney that my experience with Simpson and York Realty was common to a number of people in the area.
28. I attended at the York Regional Police Station at 8700 McCowan Street on November 1st 2005 and filed an official fraud report against Simpson. The station duty officer was Kim Mooney (Badge #5419), 5 District and my report number is 05-206523.
29. On November 2, 2005, I reported my complaint to the Real Estate Council of Ontario, Complaints Committee. Attached hereto and marked as **Exhibit "E"** to my affidavit is a copy of the Real Estate Council of Ontario Notice of Claim and complaint form.
30. I am advised by Detective Brian Morrison of the following:
- (a) that I am not the only victim of Simpson's scheme of retaining deposit funds which were intended to be held in trust;
 - (b) that he has received reports of similar arrangements made by Simpson and York Realty with the other class members;

- (c) that there may be as many as 18 victims of this fraud that he is aware of, and potentially as many as 62 other victims according to information that he has received from Simpson;
- (d) that Simpson met with the police on November 15, 2005 and advised them that she has retained Fred Fedorsen as counsel and that he is not available until November 22, 2005;
- (e) She had previously told him that she had retained David North as her counsel;
- (f) Simpson told him that she does not have any money. She used the money that she later collected from some of the victims of this matter to pay back some of the earlier victims;
- (g) that Jo Ann Swain of RECO provided Detective Morrison with an e-mail message sent by Simpson. Attached hereto and marked as **Exhibit "F"** to my affidavit is a copy of an email sent by Simpson and forwarded to RECO indicating, among other things that she has retained counsel, that she provided the police with a list of people to whom money is owed and she describes some of her assets;
- (h) that Simpson and/or the other defendants hold the accounts listed in Exhibit "G" to my affidavit;
- (i) that Simpson and/or the other defendants own the properties listed at Exhibit "G"; and
- (j) that Simpson & Associates and Cameo Investments hold property for Simpson's benefit.

31. I have reviewed the affidavit of Richard Kwasniewicz (Sworn November 16, 2005) (the "Kwasniewicz Affidavit") and I have spoken with Mr. Kwasniewicz. At paragraph 6 of the

Kwasniewicz Affidavit, I noted that Simpson tried to sell Mr. Kwasniewicz the same property in August 2005 as I tried to purchase in September 2005. As such, it appears to me that at some time before August 23, 2005 Simpson knew that the property was contaminated and that financing would not be available. Nonetheless a few weeks later she tried to sell me the same property on essentially the same terms, knowing, I believe, that the purchase would never have been completed for the same reasons that Mr. Kwasniewicz terminated his purchase.

Assets of the Defendants

32. I have reviewed the title searches and based on this, believe that the defendants have a number of properties in Ontario. Attached hereto and marked as **Exhibit "G"** to my affidavit is a list of the assets held by Simpson and the other defendants. Attached hereto and marked as **Exhibit "H"** to my affidavit is a copy of the title search documents.

Qualifications of Michael J. Quilling

33. I have reviewed the curriculum vitae and survey of relevant experience of Micheal J. Quilling. Attached hereto and marked as **Exhibit "I"** to my affidavit is the curriculum vitae and summary of relevant experience of Michael J. Quilling.

34. I make this affidavit in support of the motion for an order appointing a person as receiver in order to ascertain the whereabouts of the funds raised (or assets referable to the funds) and to preserve the funds or assets referable to the funds pending final disposition of this action and for no other or improper purpose.

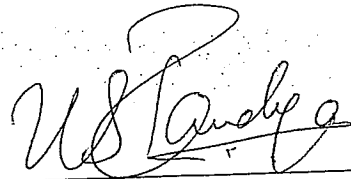
SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario, this)
16th day of November, 2005.)



A commissioner, etc.)
in and for the Province of Ontario)

n. J. masnikla

DMSTORLegal\056445\00001\369340v1



UDAYAN PANDYA

TAB A

THIS IS EXHIBIT A ATTACHED

TO THE AFFIDAVIT OF Udayan Pandya

SWORN November 16, 2009

AGREEMENT OF PURCHASE AND SALE
ON
5946 Main Street, Stouffville, Ontario

[Signature]
A COMMISSIONER

("the Agreement")

M. JOANNE MacMILLAN

PURCHASER: UDAYAN PANDYA AND MUNEESH MORDU IN TRUST FOR A COMPANY TO BE INCORPORATED WITHOUT PERSONAL LIABILITY
VENDOR: 1008522 ONTARIO LIMITED

to purchase the following property through:

PROPERTY: All and singular that certain parcel or tract of land and premises situate, lying and being in the Town of Stouffville, Ontario, municipally described as **5946 MAIN STREET, IN THE TOWN OF STOUFFVILLE, ONTARIO** hereof upon which lands is presently constructed and situate a one single storey multi tenant retail building and a one gas bar area with overhead canopy, with a total leasable square footage area of approximately 8,000 square feet plus gas canopy area, together with other associated improvements (the "Building"), the said lands, Building and improvements being collectively hereinafter sometimes referred to as the "Property" for the purchase price of \$ 1,700,000.00 (ONE MILLION FIVE HUNDRED THOUSAND DOLLARS) on the terms and conditions hereinafter set out:

1. Purchaser agrees to deliver to York Region Realty Inc. in trust, a cheque in the amount of Two Hundred Thousand (\$200,000.00) Dollars, herewith, as a deposit to be held by them in trust pending completion or other termination of this Agreement and to be credited towards the Purchase Price on completion.
2. The Vendor agrees to deliver the following (the "Source Documents") to the Purchaser within three (3) days following acceptance hereof by the Vendor:
 - (a) Such consents and authorizations as the Purchaser may reasonably require so that information regarding the Property may be released and so that inspections may be made by any governmental authority having jurisdiction over the Property and further permitting the release of any relevant information concerning the Property, to the Purchaser or its solicitors, by such governmental authority;
 - (b) copies of all leases in the Vendor's possession;
 - (c) An existing plan of survey;
 - (d) Copy of 2003, and 2004 Operating Budget Statement of Recoverable Expenses;
 - (e) Copy of the Vendor's Phase 1 and/or Phase 2 Environmental report;
4. This Offer and the Agreement resulting from the acceptance thereof shall be conditional upon each and every one of the following:
 - (i) The Purchaser or its nominee inspecting the Property and the

Purchaser being satisfied, in its sole determination, with the condition of the Property and all components thereof.

- (ii) The Purchaser be approved for the first mortgage and the Purchaser hereby agrees to provide such information as the Mortgagee reasonably requires. *AND THAT THE TERMS ARE SATISFACTORY TO THE PURCHASER AT HIS SOLE AND ABSOLUTE DISCRETION*
- (iii) This Offer is conditional upon the Purchaser's solicitor approving all terms and conditions of this offer. It is agreed that if the purchaser's solicitor is not satisfied with the terms and conditions herein, this offer shall be null and void and the deposit shall be returned to the purchaser without deduction.

WSP

If conditions 4(i), (ii), (iii), are not satisfied or waived by the ^{45TH} ~~30th~~ day after purchaser has received a copy of phase 2 assessment, in writing by the Purchaser, for whose sole benefit the condition has been inserted and who shall have the sole right to waive same, then such condition shall be deemed not to have been satisfied or waived, and this Agreement, without any further act or formality shall be at an end and of no further force and effect, and the Vendor shall forthwith return or cause to be returned to the Purchaser the deposit paid hereunder without interest and without deduction, and neither party shall have any further rights or obligations hereunder. If the Purchaser is not approved by the Mortgagee then, at the option of the Vendor, this agreement shall be at an end and of no further force and effect, and the Vendor shall forthwith return or cause to be returned to the Purchaser the deposited paid hereunder without interest or deduction.

WSP

5. The Vendor covenants, warrants and represents to the best of the Vendor's knowledge and belief, as follows:

- (a) That the Property is presently zoned Commercial retail to permit its current use as a strip plaza including any parking facilities and buildings and erections located thereon.
- (b) That the Building is occupied by and leased to tenants as set out in the rent rolls to be provided in paragraph 6 herein, and that all tenants are paying full rent in accordance with the provisions of the respective tenancy agreements and that no commercial tenants have given notice to the Vendor of an intention to assign or terminate their leases or otherwise part with possession of their respective premises.
- (c) That the Vendor has not received any written notice (nor is it aware of any claim or potential claim) from any of the tenants advising of any default by the Vendor in respect of its obligations under the said respective leases which have not already been remedied by the Vendor, and that the Vendor has not yet received any written notice from any tenant advising of any claim or set off or impending claim or respective leases, and no such claim or set off, current or pending, exists. If any such notice is received by the Vendor prior to closing, the Vendor shall promptly notify the Purchaser and shall remedy the default complained of prior to the closing date.
- (d) The Vendor shall operate, maintain and manage the Property to the Closing Date and shall carry on the business operations in the usual and ordinary course as befits a prudent owner. The Vendor will not amend or

accept a surrender or permit an assignment of any leases or tenancies affecting the Property, other than in the ordinary course of business as befits a prudent owner, nor shall the Vendor enter into any new leases, agreements to lease or finalize the negotiations of any renewal leases, other than in the ordinary course of business as befits a prudent owner.

- (e) That there are not now and the Vendor has no knowledge and has received not notice of any expropriation or any pending or threatened litigation or other judicial or administrative proceeding affecting the Property, including without limitation, in any way relating to the use and occupation of the Property, nor any claims adverse to the title to the Vendor and further that there will not as of closing date be any work orders outstanding against the property or any part thereof.
- (f) As of the Closing Date, there shall be no listing agreement outstanding pursuant to which any real estate broker has been granted the right to lease out space in the Building. All rental or real estate commission now owed with respect to the leases and tenancy agreements shall have been paid in full by the Vendor on or before the Closing Date.
- (g) All equipment, fixtures, plant and machinery, including without limitation, any elevating devices, in or about the Property has been inspected, approved and licensed by the proper authority wherever such inspection, approval and licensing is required and that all such licenses are in full force and effect.
- (h) There shall be no change in the status of the warranties and representations from the waiver date to the Date of Closing.
- (i) It is agreed that the Vendor shall ensure that prior to closing all gas tanks have been replaced with new fiberglass tanks and that all surface asphalt areas of the property have been repaved to Purchaser's satisfaction.

6. The Vendor covenants and agrees to deliver to the Purchaser, on or before closing, all documentation to which the Purchaser is entitled hereunder, including, without limiting the generality of the foregoing:

- (a) Transfer/Deed of Land to the Purchaser, or whomsoever the purchaser may direct, in compliance with Section 49 of the Planning Act of Ontario. If requested by the Purchaser, Vendor covenants that the Transfer/Deed shall contain the statements contemplated by clauses 49(21a)(a) and (b) of the Planning Act, 1983 and shall leave box 4 of the Transfer/Deed blank if so requested by the Purchaser.
- (b) The original executed copies of the leases herein referred to together with direction executed under the Corporate Seal of the Vendor to each of the tenants authorizing and directing all rental and other payments due from and after the closing in accordance with the statement of adjustments, to be paid to the order of the Purchaser or as the Purchase may in writing further direct.
- (c) An assignment of leases of the Building.
- (d) A certificate of an Officer of the Vendor confirming the amount of prepaid rent, warranties and representations contained in this Agreement, and confirming the

amount of prepaid rent and/or security deposit paid by each of the respective tenants, confirming the date of last payment of rent and the amount thereof paid by each respective tenant, and confirming that the respective leases have not been amended or varied.

- (e) A Bill of Sale for the chattels and equipment forming part of the purchase price herein.
 - (f) Assignment of all warranties (provided they can be assigned), if any, as to construction of the Building and improvements.
 - (g) Original executed copies of all current maintenance contracts, in the Vendor's possession, which are assumed by the Purchaser, if any together with an assignment thereof in favor of the Purchaser. These may be left on site and shall be part of the due diligence materials.
 - (h) An undertaking to readjust all items or omissions contained in the Statement of Adjustments.
 - (i) Any postdated cheques in the Vendor's possession, endorsed in favour of the Purchaser.
 - (j) The Vendor's keys to the Building, including Master Keys.
 - (k) A certificate of an Officer of the Vendor confirming that all accounts for material, and labour supplied to the Property have been paid in full and that no one is entitled to a construction within the meaning of the Constructions Lien Act R.S.O. 1990 and amendments thereto.
 - (l) A Certificate of an Officer of the Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of s. 116 of the Income Tax Act (Canada);
7. Purchaser agrees that this Agreement shall be irrevocable by it until 5:00 p.m. on the SEPTEMBER 12th, 2005, after which time, if not accepted, this Agreement shall be null and void and the deposit shall be returned to Purchaser with interest, if any, and without deduction.
8. Purchaser shall be allowed until ten (10) days before closing to examine the title to the Property at its own expense and to satisfy itself that there are no outstanding work orders affecting the Property.
9. This Agreement shall be completed on the 30TH day of NOVEMBER, 2005, (the "Closing Date"). Upon completion, possession of the Property shall be given to the Purchaser, subject to existing leases and tenancies. Upon termination, all deposits shall be returned to the Purchaser, if the Purchaser is not in default, and the parties shall have no further rights or obligations hereunder, provided that the Purchaser shall return all due diligence materials to the Vendor.
10. Title to the Property shall be good and marketable in fee simple, free from all easements, encroachments, rights-of-way and liens, claims and encumbrances whatsoever (including local improvement charges), except for those permitted encumbrances listed on the attached Schedule and except for any restrictions, covenants, or easements granted for the installation and maintenance of sewers, water, telephone, gas or underground hydro services to operate the Property, provided that such restrictions, covenants, or easements are not in conflict with any of the terms and

conditions herein contained and do materially not interfere with the Property and the use thereof by tenants. If within the time allowed for examining the title any valid objection to title, or to any outstanding work order is made in writing to Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies theretofore paid shall be returned with interest earned thereon and without deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.

11. Save as otherwise set out herein, the Purchaser shall not call for the production of any title deed, abstract, or other evidence of title to the Property except such as are in the possession of the Vendor.
12. This Agreement is subject to compliance with the provisions of the Planning Act, S.O. 1983 and amendments thereto, and if required there under, the Vendor covenants that it shall make any and all applications to, and obtain any and all consents required from the relevant body authorized to give such consents required from the relevant body authorized to give such consents by virtue of Section 49(1) of the Planning Act, all at its own expense, and shall proceed in that regard forthwith after the execution of this agreement, diligently, utilizing its best efforts throughout, and shall at all times keep the Purchaser and its solicitors advised as to progress there under.
13. Upon acceptance hereof, and subject to the rights of the tenants and upon reasonable notice to the Vendor, the Vendor agrees to allow the Purchaser, its agents, engineers, surveyors and consultants access to the Property for the purpose of inspecting the Property and the progress of the Project. Any such entry by or on behalf of the Purchaser shall not be considered to be an acceptance by the Purchaser of the Property or title thereto, and shall not constitute waiver of any of the conditions accruing to the benefit of the Purchaser pursuant to paragraph 4 and/or paragraph 5 hereof. Purchaser and its agents agree to keep all information confidential. The Purchaser agrees to indemnify and save harmless the Vendor for any and all damage done to the property in connection with the Purchaser's right to enter, including any damages or claims arising with respect to any third party as a result of the Purchaser exercising its right of entry.
14. In this agreement, the "date of execution" or "date of this agreement" shall mean the date of acceptance by the Vendor or, in the alternative, if this agreement is subject to counter-offers, then the date upon which the final acceptance of any counter-offer is indicated.
15. If the Closing Date shall fall upon a day on which the relevant Land Registry Office is not open for business, then the Closing Date shall be the next day when the Land Registry Office is open.
16. All documents required to be produced by the Vendor at the Closing Date shall be prepared and produced by it, in duplicate and at its expense, save that the cost of registering any such document which shall be at the Purchaser's expense and vice-versa. Any tender of money or documents pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque, certified by a Canadian chartered bank.
17. Realty taxes, rents, mortgage interest (if being assumed), public or private utilities and

fuel, water and assessment rates, all payments under any contracts being assumed by the Purchaser, fire insurance premiums, and all other matters usually adjusted in similar transactions are to be apportioned and allowed to the Closing Date, the day of closing itself to be apportioned to the Purchaser;

- 18. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.
- 19. This Agreement shall constitute the entire agreement between Purchaser and Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
- 20. Any notice to be given or document to be delivered to the Vendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at:

York Region Realty Inc.,
 37 Sandiford Drive, Suite 302
 Stouffville, Ontario
 L4A 7X5
 Attention: Courtney Wallis Simpson, Broker
 Telephone: 905-640-7653
 Fax: 905-642-6423

Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at:

Attention: *UJAYAN PANDYA*
 (phone) *4822 DERRYDOWN DRIVE, MISSISSAUGA, L5A 7J7.*
 (fax) *(905) 569-7442*
(416) 726-3462 (c)

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Adrian
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Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second business day next following the day of mailing if sent by prepaid registered mail (provided that those days upon which there occurs a mail strike or similar disruption shall not, for the purposes of this provision be considered a day on account of delivery for the purposes hereof).

- 21. This Agreement shall be read with all changes of gender and number required by the context and shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors, executors and assigns.
- 22. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.
- 23. If any of the terms, conditions or provisions herein contained shall be held or deemed invalid or unenforceable by a court of competent jurisdiction, such terms, conditions and provisions shall be severable and shall not affect the validity of any other terms,

conditions and provisions herein contained or the entirety of this Agreement.

24. The parties hereto shall execute such further and other assurances, instruments and documents and do all such other things and acts which may be necessary or proper for carrying out the purpose and intent of this Agreement.
25. This Agreement when accepted by the Vendor by execution hereof shall constitute a binding agreement of purchase and sale. Acceptance of this Agreement by facsimile transmission shall be deemed to be a valid acceptance as if executed in the original.
26. The schedules attached to this Agreement and initialed by the parties, shall have the same force and effect as if the information contained therein was contained in the body of this Agreement.
27. The parties hereto agree that the Purchase Price shall be allocated as follows: as agreed upon by both parties' accountants, acting reasonably.
28. The words "hereof", "herein", "hereunder" and similar expressions used in any section, subsection or article of this agreement relate to the whole of this agreement and not to that section, subsection, or article only, unless otherwise expressly provided.
29. G.S.T. is payable in addition to the purchase price. In the event that the Purchaser is a registrant pursuant to the *Excise Tax Act (Canada)*, it agrees to provide to the Vendor on or before the completion date, a Declaration confirming that the Purchaser is a registrant, setting out the Purchaser's registration number and undertaking to self-assess for G.S.T. purposes and save harmless the Vendor for any liability for so doing.
30. Until completion of sale the Building and equipment on the property shall be and remain at the risk of the Vendor until closing and the Vendor will hold all policies of insurance affected on the property and the proceeds thereof in trust for the parties hereto, as their interests may appear.
31. The Purchaser acknowledges that registration against title to the Land of any notice or caution or other reference to this Agreement or his or her interest in the Land is likely to cause inconvenience and prejudice to the Vendor, for example, by impeding financing. If any such registration occurs, the Vendor may terminate this Agreement forthwith. Further, the Purchaser hereby irrevocably consents to a court order removing such registration and agrees to pay all costs of obtaining such order.
32. All deposits to be held in an interest bearing account with interest payable to the Purchaser upon completion or other termination of this agreement.
33. It is agreed that upon acceptance of this offer the vendor shall not enter into any new lease or sub-lease contract or negotiations without full disclosure to the purchaser and without purchaser's written consent. It is further agreed that Purchaser's consent shall not be unreasonably withheld.

DATED at Stouffville this 11 day of September, 2005.

IN WITNESS WHEREOF we have hereunto set our hands and seals.

[Signature]
Witness

[Signature]

Per: [Signature]

The undersigned accepts the above Offer..

Dated at Toronto, this 11 day of Sept, 2005

IN WITNESS WHEREOF we have hereunto set our hands and seals.

[Signature]
Witness

1008522 Ontario Limited

Per: [Signature]
Name:
Title: Authorized Signing Office

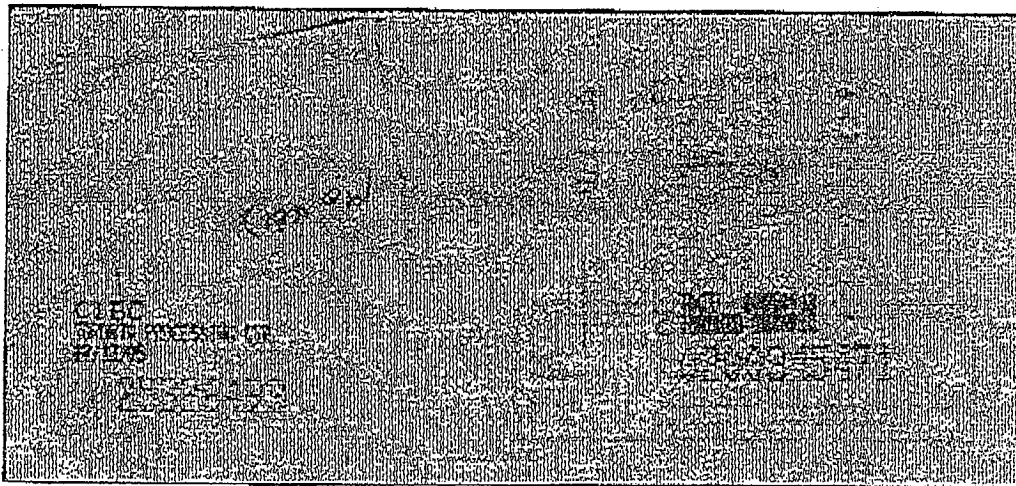
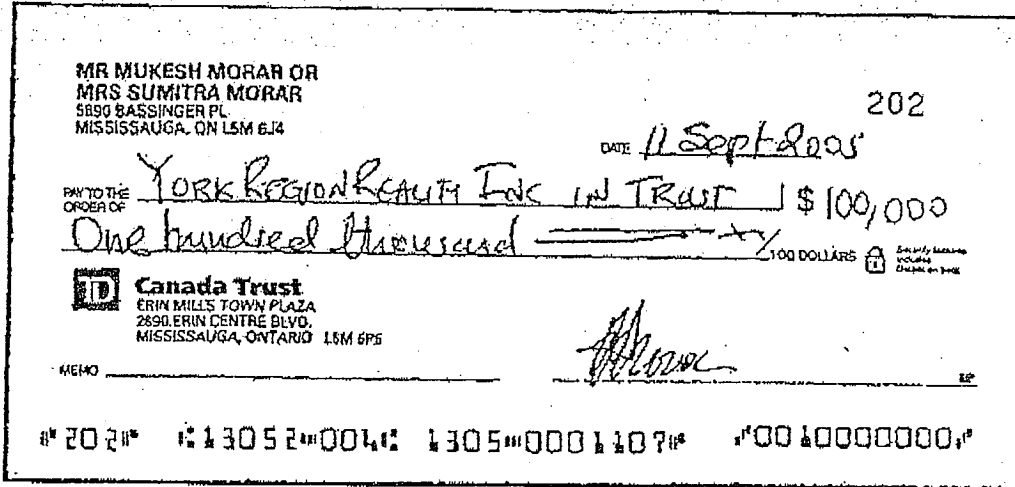
TAB B

Cheque Item Image

User: Debbie

42

Request #:	422059	Request Desc:	
Transit - Bank #:	13052-004	Account #:	13050001107
Sequence #:	200345471	Amount:	\$100,000.00 CAD
Date:	09/12/2005		



THIS IS EXHIBIT B ATTACHED

TO THE AFFIDAVIT OF

Vdayan Pandya

SWORN November 16, 2005

[Signature]

A COMMISSIONER

M. JOANNE MacMILLAN

TAB C

LEASE AGREEMENT

#66

THIS INDENTURE dated 11th day of July, 2005.

BETWEEN: 1008522 ONTARIO LIMITED
 registered owner of premises leased herein,
 hereinafter referred to as "Lessor"

- and -
 2035895 Ontario Inc., O/A CADET CLEANERS
 A company incorporated under the Laws of the Province of
 Ontario
 hereinafter referred to as "Lessee"

WHEREAS by a Lease (the Lease Agreement) dated the 7th of December, 1992,
 STOUFFVILLE COTENANCY LTD., as landlord did demise and lease to EMBASSY
 CLEANERS as tenant, the premises municipally known as 5946 Main Street (formerly known as
 345 Main Street), Stouffville, Ontario, consisting of a ground floor store containing approximately
 628 square feet, for a term ending the 31st day of January, 1998.

AND WHEREAS all interests of the tenant under the Lease Agreement were assigned to
 2035895 ONTARIO INC., O/A CADET CLEANERS.

AND WHEREAS all interests of the landlord under the Lease Agreement were assigned to
 1008522 ONTARIO LIMITED as landlord under the Lease Agreement

AND WHEREAS by Lease amendment agreements between the Landlord (the "Lessor")
 and the Tenant (the "Lessee"), the said Lease was further extended for a term ending
 January 31, 2005.

AND WHEREAS the Lease Agreement and the aforesaid Lease Amendment and Renewal
 Agreements are hereinafter collectively referred to as the "Lease".

AND WHEREAS the parties hereto agree that the Lease is in full force and effect.

NOW THEREFORE BE IT AGREED BETWEEN THE PARTIES AS FOLLOWS:

The term of the Lease shall be extended for a further term of 60 months, commencing
 February 1, 2005 and each and every one of the provisions of the Lease are to remain
 in full force and effect up to and including January 31, 2010 save and except the parties
 hereto agree to amend the Lease effective from February 1, 2005 as follows:

1. Delete the provisions 3 (1) of the Lease pertaining to "Term of
 tenancy" and replace with the following:

TO HAVE AND TO HOLD the Leased Premises for and during a term of 60 months to
 commence on February 1, 2005 and thenceforth next ensuring and fully to be
 completed and ended on January 31, 2010.

2. The Minimum Rent will be as follows:

YIELDING AND PAYING THEREFORE unto the Lessor, its successors and assigns (at
 such place or places as the Lessor shall designate from time to time in writing) yearly
 and every year throughout the Renewal Term hereby demise a Minimum Rent equal
 to:

THIS IS EXHIBIT c ATTACHED

TO THE AFFIDAVIT OF

Vdyan Pandya

SWORN November 16, 2009

M. Joanne Macmillan

A COMMISSIONER

M. JOANNE MacMILLAN

DURING THE PERIOD FEBRUARY 1, 2005 TO JANUARY 31, 2008

a) Minimum rent will be \$21.00 per square foot, \$11,088.00 per annum, payable in equal consecutive monthly installments of \$ 924.00 plus taxes each in advance on the first day of each month.

DURING THE PERIOD FEBRUARY 1, 2008 TO JANUARY 31, 2009

b) Minimum rent will be \$22.00 per square foot \$11,616.00 per annum payable in equal consecutive monthly installments of \$968.00, each in advance on the first day of each month.

DURING THE PERIOD FEBRUARY 1, 2009 TO JANUARY 31, 2010

c) Minimum rent will be \$23.00 per square foot \$12,144.00 per annum payable in equal consecutive monthly installments of \$1,012.00, each in advance on the first day of each month.

3. If the Tenant duly and regularly pays the Rent and all other charges herein provided for and throughout the Term observes and performs all of the covenants, provisos and agreements herein on the part of the Tenant to be observed and performed, the Tenant shall have the option, exercisable by notice delivered to the Landlord not earlier than 12 months and not later than six (6) months prior to the expiration of the term, to renew this Lease for one (1) further period of five (5) years upon the same terms and conditions as are herein except the renewal shall be the then current fair market rent for comparable premises in a comparable area determined by negotiation between the Landlord and the Tenant.

If the amount of Basic Rent to be paid during the renewal term has not been agreed to in writing by the Landlord and Tenant within six (6) months of the giving of the notice exercising the option to renew, then the matter shall be determined by arbitration pursuant to The Arbitration Act of Ontario, the costs of which shall be paid equally by the tenant and the Landlord. If the Basic Rent for the renewal term is not determined until after the expiration of the term or the first lease, the Tenant shall continue to pay Basic Rent in the amount and manner payable for the last year of the second Term, until the Basic Rent for the renewal term has been determined. Any increase in the Basic Rent for the renewal term shall be paid by the Tenant to the Landlord.

4. The Lessor warrants that it has the right, power, and authority to execute this Lease Extension Agreement.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS.

DATED at Mississauga this 11th day of July, 2005.

1008622 ONTARIO LIMITED



Sung Seo, President

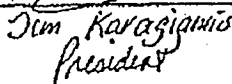
I have authority to bind the Corporation.

DATED at Toronto Ontario, this 11th day of July, 2005.



20036195 ONTARIO INC., D/A CADET CLEANERS
2035695

Per:


Jim Karagiannis
President

*Our free
copy*

THIS LEASE made the 17th day of June, 2005

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT

BETWEEN: 1008522 Ontario Limited
a corporation incorporated pursuant to the laws
of the Province of Ontario
(the "Landlord") OF THE FIRST PART

- and -

1656883 Ontario Inc.
a corporation incorporated pursuant to the laws
of the Province of Ontario
(the "Tenant") OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements herein contained, the parties agree as follows:

ARTICLE I
INTERPRETATION

Section 1.01 Definitions

Unless there is something in the subject matter or context inconsistent therewith, in this Lease:

"Additional Rent" means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent) which includes but is not limited to Tenant's proportionate share of insurance, property taxes, business taxes, education taxes, building maintenance, snow removal, utilities for common areas or any other costs that the landlord is responsible for whether or not designated "Additional Rent" and whether or not payable to the Landlord. All Additional Rent shall be deemed to be rent, shall be payable and recoverable as rent and shall be payable in lawful money of Canada without deduction, abatement, set-off or compensation whatsoever;

"Applicable Law" means any federal, provincial or municipal statute, law, ordinance, rule, regulation, regulatory policy, by-law, order, judgement, decree or restriction of any kind pertaining to the Leased premises or to this Lease;

"Basic Rent" means the rent payable by the Tenant pursuant to and in the manner set out in Section 3.02 hereof;

"Building" means the building located on the lands municipally known as 5946 Main Street Stouffville Ontario and described in Schedule "A" attached hereto, together with all Leasehold Improvements and other improvements, facilities, installations, fixtures (other than Trade Fixtures), systems, services, utilities and appurtenances from time to time existing which serve or are for the benefit of the Building;

of the forgoing character or not and whether in existence at the commencement of the Term or not, and any such real property taxes levied or assessed against the Landlord on account of its interest in the Leased Premises or any part thereof, as the case may be;

"Tenant" means the party of the Second Part and its permitted successors and assigns;

"Term" means the term of this Lease as set out in Section 2.02 hereof and any extension or renewal thereof;

"Trade Fixtures" means all chattels, furniture, machinery and equipment whether affixed or otherwise and whether installed in, on or to the Leased Premises necessary for the conduct of the Tenant's business;

"Transfer" has the meaning ascribed thereto in Section 9.01(a) hereof; and

"Transferee" has the meaning ascribed thereto in Section 9.01(a) hereof.

Section 1.02 Construction

- (a) Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.
- (b) The captions or headings introducing articles or sections of this Lease are for convenience of reference only and in no way define, limit, construe or describe the scope or intent of such articles or sections of this Lease nor in any way affect the interpretation of this Lease.
- (c) The words "herein", "hereof", "hereby", "hereunder", "hereto", "hereinafter" and similar expressions refer to this Lease and not to any particular article, section, paragraph or other portion thereof, unless there is something in the subject matter or context inconsistent therewith.
- (d) Any reference to "Tenant" includes, those for whom the tenant is responsible in law.
- (e) All rights and privileges of the Landlord in this Lease may be exercised by the Landlord and its duly authorized representatives.
- (f) If any term, provision, covenant or condition of this Lease or its application to any Person or circumstance is held to be or rendered invalid, unenforceable or illegal, then such term, provision, covenant or condition shall be considered separate and severable from the remainder of this Lease, shall not affect, impair or invalidate the remainder of this Lease and to the fullest extent permitted by law shall continue to be applicable to and enforceable against any Person or circumstance other than those as to which it has been held or rendered invalid, unenforceable or illegal.
- (g) Wherever the singular number or a gender is used in this Lease the same shall be construed as including the plural and the masculine, feminine and neuter respectively where the fact or context so requires.

- (h) This Lease shall be construed in accordance with and governed by the laws of the Province of Ontario.
- (i) Time is of the essence of this Lease and of every part hereof.

Section 1.03 Net Lease

This Lease shall, except as otherwise provided for herein, be a completely carefree net Lease for the Landlord and the Tenant shall pay for its own account and to the complete exoneration of the Landlord all costs, expenses, charges, or outlays of any kind arising from, relating to or affecting the Leased Premises (except all amounts specifically payable by the Landlord or recoverable from third parties pursuant to the terms hereof, any payments of principal and interest to be made under any Mortgage placed or assumed by the Landlord and the payment of the Landlord's income taxes, capital taxes or corporation taxes, unless such income, capital or corporation taxes have been imposed in lieu of or substitution for Taxes).

ARTICLE II GRANT AND TERM

Section 2.01 Grant

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, kept, observed and performed, the Landlord leases to the Tenant and the Tenant leases from the Landlord the Leased Premises. The Tenant and its employees and invitees shall be entitled to use in common with others entitled thereto the external portions of the Building which serve or are for the benefit of the Leased Premises and other premises in the Building (the "Exterior Areas") including, without limitation, the parking areas, driveways, accessways, entrances, exits, pedestrian sidewalks and landscaped and planted areas, but for greater certainty, the Exterior Areas exclude the Leased Premises and all other buildings and structures designed and constructed to contain or comprise rentable premises.

Section 2.02 Term

TO HAVE AND TO HOLD the Leased Premises for and during the term (the "Term") of five (5) years commencing on June 20, 2005 (the "Commencement Date") and thereafter next ensuing and fully to be completed and ended on June 19, 2010.

Section 2.03 Early Possession

The Tenant shall be entitled to take possession of the Leased Premises prior to the Commencement Date upon the execution of this Lease by both the Landlord and the Tenant without the payment of Rent or Taxes but otherwise subject to the terms and conditions hereof.

Section 2.04 Overholding

If the Tenant, without having received notice from the Landlord to deliver up possession of the Leased Premises on the determination of the Term and without any written agreement extending the Term, shall remain in possession of the Leased Premises after the expiration of the Term, there shall be no implied renewal of this Lease or extension of the Term notwithstanding any statutory provisions or legal presumptions to the contrary and the Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to

month at a monthly Basic Rent equal to one and one-half (1 ½) the monthly instalment of Basic Rent determined in the manner set forth in Section 3.02 hereof, and otherwise subject to all of the provisions of this Lease including those provisions requiring the payment of Additional Rent which shall then be read with such changes as are appropriate to a monthly tenancy.

ARTICLE III RENT

Section 3.01 Covenant to Pay

The Tenant covenants with the Landlord to pay Rent as herein provided.

Section 3.02 Basic Rent

The Tenant shall pay to the Landlord as Basic Rent for and during each year of the Initial Term in lawful money of Canada without any prior demand therefor and without any deduction, abatement, set-off or compensation whatever, in equal monthly instalments in advance on the first day of each month the following amounts:

<u>Year of Initial Term</u>	<u>Annual Basic Rent</u>
First – fifth year	\$38,000 being \$20.00 per square foot on a space of 1900 square feet. If the actual area is more or less than 1900 square feet notwithstanding any discrepancy the area will be deemed to be 1900 square feet for the purposes of calculating rent.

No Basic Rent shall be payable from June 17, 2005 to July 31, 2005 inclusive. The first monthly instalment of Basic Rent shall be due and payable on the first day of September 2005.

Section 3.03 Additional Rent

The Tenant shall pay its proportionate share of Additional Rent to the Landlord, at the times and in the manner hereinafter set forth. Where the calculation of any Additional Rent is not made until after the expiration or termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the expiration or termination of this Lease. The Tenant's proportionate share of Additional Rent for the calendar year 2005 will be deemed to be \$6.00 per square foot based on a deemed area of 1,900 square feet notwithstanding that it may be more or less.

The Additional Rent for each subsequent year will be based on the per cent increase or decrease in the in the Taxes from the preceding year.

Section 3.04 Prepaid Rent

The Landlord acknowledges receipt of \$8,809.66 as a deposit to be applied on account of the Rent for the month of August, 2005 and the last month of the initial Term.

Section 3.05 Place of Payment

The Tenant shall make all payments of Basic Rent and any payments of Additional Rent required to be paid to the Landlord pursuant to this Lease by way of cheque payable to the Landlord (or to such other person as the Landlord may hereafter designate by notice to the Tenant) and all such payments shall be delivered or sent to the address of the Landlord set out in Section 15.05 hereof (or to such other Person or address as the Landlord may hereafter designate by notice to the Tenant) and shall be received by the Landlord no later than 3:30 p.m. on the day on which they are due. Payments received by the Landlord after 3:30 p.m. on the day on which they are due shall be deemed to have been received on the next following Business Day and shall bear interest as provided in Section 3.06 hereof.

Section 3.06 Overdue Rent

If the Tenant shall fail to pay when the same is due and payable any Rent, or any other amounts required to be paid to the Landlord pursuant to this Lease, such unpaid amounts shall bear interest from the due date thereof calculated monthly not in advance to the date of payment at a rate per annum two (2%) per cent in excess of the Prime Rate and the Landlord shall have all remedies for the collection of such interest, if unpaid after demand, as in the case of Rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedies of the Landlord under this Lease or at law.

ARTICLE IV

Taxes

Section 4.01 Realty Taxes

The Landlord shall reasonably estimate in advance the amount of Taxes, and Additional Rent for each year. The Tenant shall pay one-twelfth of such estimated annual Additional Rent in equal monthly instalments in advance at the times stipulated above for the payment of Basic Rent. Provided that when the final bills for Taxes and Additional Rent have been issued for the taxation year or calendar year for which such estimated payments have been made, the Landlord shall forthwith deliver to the Tenant copies of such final bills and the appropriate adjustment shall thereupon be made between the parties on the basis of such final bills. Tenant shall be entitled, upon request, at a time acceptable to the Landlord, to inspect and review any records, invoices and receipts relating to Additional Rent and Taxes. The Tenant's proportionate share means a fraction the numerator of which is the leaseable area of the Leased Premises and the denominator of which is the entire leaseable area of the Building, whether or not leased, including the Leased Premises.

Section 4.02 Business Taxes

- (a) In addition to the Taxes payable by the Tenant pursuant to Section 4.01, the Tenant if applicable shall pay as Additional Rent to the lawful taxing authorities and shall discharge when the same become due and payable all taxes, rates, duties, assessments and licence fees whatsoever, whether general or special, whether federal, provincial, municipal or otherwise, that are levied, rated, charged or assessed against or in respect of the use and occupancy of the Leased Premises or any business or the income of such business carried on, at or from the Leased Premises, or the improvements, equipment and facilities on or in the Leased Premises, and the Tenant will indemnify and keep indemnified the Landlord from and against payment of and all loss, costs, charges and expenses occasioned by or arising from any and all such taxes, rates, duties, assessments and licence fees.

- (b) Upon written request of the Landlord, the Tenant shall deliver promptly to the Landlord satisfactory evidence of the payment of all such taxes, rates, duties, assessments and licence fees which were due and payable up to one month prior to such request and, in any event, shall deliver to the Landlord before January 31st in each year satisfactory evidence of payments thereof for the preceding year.

Section 4.03 Goods and Services Taxes

The Tenant shall pay to the Landlord when due all Goods and Services Taxes imposed on the Tenant with respect to the Rent payable by the Tenant or goods and services provided by the Landlord under this Lease. For the purpose of this Section, Rent and goods and services provided by the Landlord shall not include Goods and Services Taxes in respect of which the Landlord is entitled to an input tax credit or such other credit or reimbursement. All calculations of the Goods and Services Taxes payable by the Tenant shall be done in accordance with all Applicable Laws. Upon the request of the Tenant, the Landlord shall provide reasonable evidence of the amounts and dates of all remittances for Goods and Services Taxes and provide such cooperation and assistance as the Tenant may reasonably require to enable the Tenant to obtain any rebate or credit of any such tax that may be available to the Tenant.

ARTICLE V UTILITIES AND COSTS OF OPERATION

Section 5.01 Heating

The Tenant at its expense shall heat the Leased Premises to a degree sufficient to protect the Leased Premises and its contents from damage by cold or frost and, at its own cost and expense, shall operate, maintain, keep in good order, condition and repair, any and all heating, ventilating and air-conditioning equipment, systems and controls serving the Leased Premises whether forming part of the Leased Premises or not.

If the heating, ventilating and air-conditioning system requires replacement that is not occasioned by the Tenant's negligence or lack of maintenance, then the Landlord shall be responsible for the cost of such replacement and notwithstanding anything to the contrary contained in this Lease shall include the cost thereof in Additional Rent amortized over the useful life of the equipment in accordance with generally accepted accounting principles.

Section 5.02 Utilities

The Tenant shall be solely responsible for and shall pay as same become due all charges for water, sewers, gas, electricity, telephone and any other public or private utilities or services supplied to, used or consumed at the Leased Premises and for equipment, fittings, machines, apparatus, meters or other things leased or purchased in respect thereof, including installation costs, and for all work performed by any corporation or commission in connection with any such utilities and services in respect of the Leased Premises.

In no event shall the Landlord have any obligation or liability in connection with cessation or unavailability or interruption or suspension or other failure in the supply of any such utility or service to the Leased Premises, unless caused by the negligence of the Landlord or those for whom the Landlord is responsible in law.

ARTICLE VI
MAINTENANCE, REPAIR AND ALTERATIONS

Section 6.01 No Landlord's Repair

(a) Subject to Section 5.01, the Landlord shall not be obliged to maintain, improve or repair any part of the Leased Premises, or to construct any improvements and facilities in connection therewith, or to do or cause to be done any act or thing on or in connection with the Leased Premises so as to render them fit or suitable or more convenient for the purposes of the Tenant or any Person having use or occupancy thereof except as provided in Section 16.02 hereof, and the Tenant waives any claims against the Landlord in respect of the condition, maintenance or repair of the Leased Premises throughout the Term except as aforesaid unless caused by the negligence of the Landlord or those for whom the Landlord is responsible for in law.

(b) The Landlord shall operate, repair and maintain the Building and the Exterior Areas as would a prudent landlord of a similar building. The Landlord shall maintain, repair and replace the Exterior Areas as required to keep the Exterior Areas in clean and tidy condition and shall keep the Exterior Areas free of debris, garbage, water, snow and ice and adequately illuminated during hours of darkness while the Leased Premises are open for business. Without limiting the foregoing the Landlord shall at all times provide and maintain in good condition and repair the sidewalks, loading and service areas, accessways, landscaped areas and parking accommodation in the Building and in any enlargement thereof or additions thereto and keep the parking accommodation graded, levelled, drained, paved with asphalt, marked for the orderly distribution and movement of automobiles and adequately equipped with lighting standards and fixtures.

Section 6.02 Tenant's Repair

The Tenant at its expense shall keep the Leased Premises in good repair and shall make all necessary repairs, where necessary) whether such repairs are, ordinary or extraordinary, foreseen or unforeseen, to the extent required to keep the Leased Premises in good and tenantable condition except for reasonable wear and tear and repairs for which the Landlord is responsible pursuant to Section 16.02 hereof. All of such repairs shall be in all respects substantially equal in quality and workmanship to the original work and material used in the Leased Premises or to such higher standard of material and workmanship as may have been incorporated into the Leased Premises as at Commencement Date and shall comply with all Applicable Laws

Section 6.03 General Maintenance and Operation

The Tenant at its expense shall keep and maintain the Leased Premises, in a clean and orderly condition, free from any accumulation of dirt, rubbish, and the like, and generally as is appropriate to reputable commercial premises and shall operate and manage the Leased Premises in a prudent and businesslike manner and in compliance with all Applicable Laws. The Tenant will not allow rubbish that is a result of the Tenants customers to accumulate outside of the Leased Premises

Section 6.04 Non-Performance by Tenant

If any repairs, replacements or maintenance which are required to be performed by the Tenant under the terms of this Lease are not performed when required, then, after giving the tenant 15 days notice, the Landlord in its sole discretion shall be entitled to perform such repairs, replacements or maintenance entirely at the cost of the Tenant subject to Section 12.01(b) hereof, and the cost of the same shall be paid forthwith by the Tenant to the Landlord upon demand as Additional Rent.

Section 6.05 Inspection

The Landlord may enter the Leased Premises and every part thereof after giving the Tenant 48 hours notice, to inspect the condition thereof. Where an inspection reveals that the whole, or any part of the Leased Premises is not being operated, kept or maintained to the required standard or that repairs or replacements are necessary, the Landlord shall give notice to the Tenant and upon receipt of such notice the Tenant shall within 15 days proceed to carry out all necessary work, repairs or replacements in a good and workmanlike manner and to the satisfaction of the Landlord so as to complete the same within the time or times stipulated in such notice. Failure by the Landlord to give such notice shall not relieve the Tenant from any of its obligations to operate, maintain, repair or replace in accordance with the provisions hereof. If the Tenant refuses or neglects to carry out promptly and to the reasonable satisfaction of the Landlord any such work, repairs or replacements, the Landlord may, but shall not be obligated to, carry out such work, repairs or replacements without liability to the Tenant for any loss or damage which may occur to the Tenant's property or business by reason thereof, and in any and every such case the Tenant shall pay to the Landlord forthwith on demand as Additional Rent all sums which the Landlord may have expended in carrying out such work, repairs or replacements plus a further fifteen (15%) per cent of all such sums representing the Landlord's overhead. The Tenant agrees that the carrying out of any work, repairs or replacements by the Landlord pursuant to this Section is not a re-entry or a breach of the covenant for quiet enjoyment contained in this Lease. In the case of any emergency, the Landlord may enter upon the Leased Premises at any time without giving prior notice to the Tenant without breaching the covenant for quiet enjoyment contained in this Lease.

Section 6.06 Compliance with Fire and Other Regulations

The Tenant at its expense shall comply with the requirements of all Applicable Laws from time to time or at any time in force during the Term and relating to or affecting the condition, equipment, maintenance, use or occupation of the Leased Premises and with every applicable regulation, order and requirement of the Insurance Advisory Organization, or any body having a similar function, or any order, request or demand of any municipal fire department or other similar body or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term. Such work shall be performed by the Tenant forthwith upon demand and failure of the Tenant to complete such work within a reasonable period of time after such demand shall entitle the Landlord to perform such work at the cost of the Tenant as provided in Section 6.05 hereof.

Section 6.07 Alterations

- (a) Subject to paragraph (b), the Tenant shall not make or permit to be made any Leasehold Improvements, without obtaining the prior written approval of the Landlord, which approval shall not (provided that the Tenant has fully complied with the terms, covenants and conditions of this Lease) be unreasonably or arbitrarily withheld, but which shall be subject to the following conditions:
- (i) at the time of requesting the Landlord's approval, the Tenant shall submit to the Landlord detailed plans and specifications for such proposed Leasehold Improvements;
 - (ii) any proposed Leasehold Improvements shall meet the requirements of all Applicable Laws, fire insurance underwriters or insurers and of any Mortgagee;

- (iii) no Leasehold Improvements shall be commenced until the Tenant has obtained all building and other permits required by lawful authority and provided copies of the same to the Landlord;
- (v) all Leasehold Improvements approved by the Landlord shall be constructed expeditiously by the Tenant in a good and workmanlike manner and in compliance with the detailed plans and specifications which have been approved by the Landlord and all Applicable Laws; and
- (vi) prior to the commencement of construction of any Leasehold Improvements, the Tenant shall effect and produce to the Landlord evidence of good and sufficient public liability, property damage and fire insurance policies relative to such construction written in the joint names of the Landlord and Tenant with insurers acceptable to the Landlord acting reasonably and in such amounts and on such terms as may be reasonably required by the Landlord.

Notwithstanding the foregoing the Tenant will not be required to obtain the Landlord's consent for minor alterations. Such minor alterations are those which require the expenditure of less than \$5,000.00 to complete the alterations.

Section 6.08 Property of Landlord

Any Leasehold Improvements made by the Tenant shall upon expiration or other termination of this Lease become the property of the Landlord and form part of the Leased Premises without compensation therefor to the Tenant. The Landlord shall be under no obligation to maintain, repair or replace the Leasehold Improvements. No Leasehold Improvements shall be removed from the Leased Premises either during or at the expiration or other termination of the Term. Notwithstanding anything hereinbefore contained, the Landlord, at its option, may require the Tenant to remove the Leasehold Improvements made by the Tenant and restore the Leased Premises to the condition they wherein at the date of delivery of possession thereof to the Tenant at the Tenant's expense and the Tenant shall repair any damage caused to the Leased Premises as a result of such removal or restoration. This obligation of the Tenant shall survive the expiration or other termination of this Lease.

Notwithstanding the foregoing or anything contained herein to the contrary, the parties acknowledge and agree that all Leasehold Improvements and Trade Fixtures (including, without limitation, all built-in millwork and plumbing, electrical or mechanical fixtures) installed or constructed in the Leased Premises shall remain the property of the Tenant and the Tenant shall be entitled (but under no obligation) to remove such Leasehold Improvements and Trade Fixtures at any time throughout the Term of this Lease so long as the rent is current and the Tenant repairs any damage caused to the Leased Premises as a result of such removal.

Section 6.09 Construction Liens

If any construction liens or other liens or orders for the payment of money shall be registered against the Leased Premises or the Lands by reason of or arising out of any work, labour, services or materials furnished or claimed to have been furnished to the Tenant or to anyone claiming through the Tenant, the Tenant shall within thirty (30) days after notice to the Tenant of the registration cause the same to be discharged by bonding, deposit, payment, court order or in any other manner required or permitted by law. The Tenant, at its own expense, shall defend all suits to enforce any such lien or order whether against the

Tenant or the Landlord. The Tenant will indemnify and save the Landlord harmless from and against payment of all loss, costs, charges and expenses occasioned by or arising from any such lien or order.

Section 6.10 Environmental Compliance

- (a) During the Term the Landlord and Tenant shall comply with all Applicable Laws relating to the natural environment including without limitation the *Environmental Protection Act*, R.S.O. 1990, c.E. 19 and regulations made pursuant thereto. The Tenant shall at its expense obtain and shall be in possession of all permits, licences, certificates of compliance, approvals and other authorizations which are applicable to or required under any such Applicable Laws in connection with the Tenant's operations on the Leased Premises.
- (b) The Tenant shall be responsible for all damage which may be caused as a result of the breach of its obligations pursuant to this Section and shall indemnify (with respect to matters arising from the acts or omissions of the Tenant and those for whom it is in law responsible during the Term) the Landlord and its Mortgagee(s), if any, from all claims arising therefrom. This indemnity shall survive the expiration or termination of this Lease.
- (c) The Landlord shall be responsible for all damage which may be caused as a result of the breach of its obligations pursuant to this Section and shall indemnify the Tenant with respect to matters arising from the acts or omissions of the Landlord and those for whom it is in law responsible during the Term. This indemnity shall survive the expiration or termination of this Lease.
- (d) The Landlord shall have the right, at its expense, to conduct tests at the Leased Premises, including environmental audits, during normal business hours with not less than 5 days notice to the Tenant. Except in the case of an emergency, the Landlord shall provide the Tenant with reasonable prior notice of and shall conduct such tests in a manner which causes as little disruption to the Tenant's business as possible.

ARTICLE VII TRADE FIXTURES AND SURRENDER

Section 7.01 Trade Fixtures

- (a) Subject to the provisions of Section 7.02 hereof, the Tenant shall have the right at all times to install its Trade Fixtures in, on or to the Leased Premises.
- (b) All Trade Fixtures shall be owned or leased by the Tenant or a Permitted Transferee and shall not be removed from the Leased Premises either during or at the expiration or other termination of the Term except that:
 - (i) the Tenant may in the usual and normal course of its business remove, at its own cost, such of its Trade Fixtures which have become excess for the Tenant's purposes or which are being concurrently replaced with new and similar Trade Fixtures; and
 - (ii) the Tenant may at the expiration or earlier of the Term remove, at its own cost, all of

its Trade Fixtures;

provided that the Tenant shall not at the time of any such removal be in default. The Tenant shall promptly repair any damage to the Leased Premises caused by installation and/or removal of such Trade Fixtures. The Tenant's obligation to observe and perform this covenant shall survive the expiration or other termination of this Lease.

- (c) If the Tenant shall fail to remove any of its Trade Fixtures within a reasonable amount of time after the expiration or other termination of the Term, such Trade Fixtures shall, at the opinion of the Landlord, become the property of the Landlord and may be removed from the Leased Premises and sold or disposed of by the Landlord in such manner as it deems advisable.

Section 7.02 Surrender of Leased Premises

Subject to Section 6.09 hereof, at the expiration or other termination of this Lease the Tenant shall peaceably surrender and yield unto the Landlord the Leased Premises in as good order, condition and repair subject to reasonable wear and tear, as the Tenant is required to maintain the Leased Premises under terms of this Lease. The Landlord, at its option, may rectify any damage to the Leased Premises existing at the time of such surrender at the sole cost of the Tenant and the Tenant shall pay such cost to the Landlord forthwith upon demand which obligation shall survive the expiration or other termination of this Lease.

**ARTICLE VII
CONDUCT OF BUSINESS BY TENANT**

Section 8.01 Use

The Tenant may use the Leased Premises for the purposes of a restaurant. The Tenant may also use the premises for other business except it may not be used as either a cleaners or convenience store. The Tenant and will not use or permit the Leased Premises to be used for any purpose that is lewd, immoral or offends the general public, which includes but is not limited to a video store that rents or sell adult video's, any store that merchandises sexual products whether toys, oils, creams , books, or any type of massage parlour, subject always to the provisions of all Applicable Laws governing such use. The Tenant shall at its own risk and expense obtain all governmental licences, permits and approvals necessary for such use and shall pay all levies, fees, taxes and imposts with respect to such use. If the Tenant wishes to use the Leased Premises for any purpose other than those specified above, it must first obtain the written consent of the Landlord to such use, which consent shall not be unreasonably withheld.

The Landlord shall not at any time throughout the term of the agreement and/or lease and any renewal or extension thereof lease or permit to be leased any part of the building (except the Leased Premises) for use as a restaurant selling alcohol.

Section 8.02 Waste and Nuisance

- (a) The Tenant shall not commit or suffer to be committed any waste or injury to the Leased Premises and shall not do or omit to do or suffer to be done or omitted anything upon or in respect of the Leased Premises which shall be or result in a nuisance to the Landlord or any other Person.

- (b) Without limiting the generality of the foregoing, the Tenant shall not:
- (i) overload any floors in the Leased Premises;
 - (ii) install any equipment which will exceed or overload the capacity of any utility or the electrical or mechanical systems or facilities in or serving the Leased Premises;
 - (iii) bring upon the Leased Premises any machinery, equipment, article or thing that by reason of its weight, size or use might, in the reasonable opinion of the Landlord, damage the Leased Premises;
 - (iv) use, keep or permit in or about any part of the Leased Premises any goods, provisions, equipment or materials of an offensive odour or combustible or a noxious nature or anything that could create a fire hazard.
- (c) If the Tenant shall infringe any of the provisions of this Section 8.02 and fail within forty-eight (48) hours of notice by the Landlord to rectify, correct or remove the infringement or commence and diligently proceed to do so, the Landlord may, but shall not be obligated to, enter upon the Leased Premises or elsewhere as may be necessary to rectify, correct or remove the infringement as the agent and at the cost of the Tenant and the Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease. The Tenant shall indemnify and save harmless the Landlord from all claims, demands, loss or damage to any person or property arising out of any such infringement or any such entry of the Landlord.

ARTICLE IX ASSIGNMENT AND SUBLETTING

Section 9.01 Consent Required

- (a) The Tenant shall not:
- (i) assign this Lease in whole or in part; or
 - (ii) sublet the whole or any part of the Leased Premises; or
 - (iii) suffer or permit the use or occupation of the whole or any part of the Leased Premises by any licensee, concessionaire or franchisee or by any Person, other than the Tenant,

(each of the forgoing being herein referred to as a "Transfer" and each Person to whom any such Transfer is made or proposed to be made herein referred to as a "Transferee"), without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld. The assignment may be for a use other than a restaurant. The Landlord's consent to any Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. Notwithstanding any such Transfer, the Tenant shall not be relieved from its obligations for the payment of Basic Rent and Additional Rent and for the observance and performance of the terms, conditions, covenants and

agreements contained in this Lease on the part of the Tenant to be paid, kept, observed and performed. The Tenant shall cause any such Transferee to covenant in writing with the Landlord to be bound by all of the terms, conditions, covenants and agreements contained in this Lease as if such Transferee had originally executed this Lease as Tenant. All documents evidencing such Transfer, the consent of the Landlord and the Transferee's covenant with the Landlord shall be subject to the prior written approval of the Landlord or its solicitors and all of the Landlord's reasonable legal costs and other expenses with respect thereto shall be paid as Additional Rent by the Tenant to the Landlord forthwith upon demand (such fees not to exceed \$1,000.00).

- (b) If the Tenant wishes to effect a Transfer, the Tenant shall by notice to the Landlord request the Landlord to consent to such Transfer, which notice shall set forth full particulars of the proposed Transfer. Following the receipt of such notice, the Landlord may request further reasonable information in connection with the proposed Transfer and Transferee including, without limitation, information concerning the responsibility, reputation, financial standing and business of the proposed Transferee. The Tenant shall promptly furnish the Landlord with such requested information.

Section 9.02 Corporate Ownership

If the Tenant is a corporation, other than a corporation whose shares are listed on any recognized security exchange, any transfer, sale, assignment, subscription, issuance, redemption, cancellation or disposition of shares (except a transmission of shares on death), or any series or combination of the foregoing, which has the result of changing the identity of the Persons exercising effective voting control of the Tenant as of the date of this Lease shall be considered to be a Transfer and subject to all of the provisions of Section 9.01 hereof.

Notwithstanding anything to the contrary contained herein, the Tenant shall have the right without consent of the Landlord, but on notice to the Landlord, given prior or as soon as reasonably practicable following the Transfer, to assign the Lease or sublet the Leased Premises or otherwise Transfer the Lease or the Leased Premises to the following parties ("Permitted Transferees")

- (a) a holding body corporate of the Tenant, a subsidiary body corporate of the Tenant or an affiliate of the Tenant (as those terms are defined in the *Business Corporations Act* (Ontario));
- (b) the acquirer of the Tenant's interest in the majority of the Tenant's other stores in the province in which the Premises are located operating under the same trade name as the Tenant is operating the Premises;
- (c) a corporation resulting from the merger or amalgamation of the Tenant with another corporation reorganization of the Tenant;
- (d) a bona fide lending institution as security as part of a bona fide financing; and
- (e) the Tenant's franchisor.

The provisions of Section 9.01 shall not apply to a Transfer to a Permitted Transferee.

Tenant may, without the consent of Landlord, pledge this agreement as security or grant any lien, mortgage or debenture, charge or encumbrance against the inventory, Trade Fixtures, furnishings or equipment of Tenant located in the Leased Premises. This would also include any Leasehold Improvements located in the Leased Premises or the lease itself, provided same arises through bona fide financing in accordance with Tenant's normal business practices.

Notwithstanding anything to the contrary contained herein, if the tenant requests the Landlords consent to assign the Lease or sublet the Leased Premises for a use other than specified herein, the Landlord shall not unreasonably withhold the consent thereto.

Section 9.03 Consideration for Assignment or Subletting

In the event of any subletting by the Tenant by virtue of which the Tenant receives a rental in the form of cash, goods, services or other consideration from the subtenant which is higher than the Rent payable hereunder to the Landlord for the premises sublet on a pro rata basis, the Tenant shall pay one-half of such excess to the Landlord as Additional Rent for the period of time during which the subtenant remains in possession of the premises sublet to it. If the Tenant shall receive from any assignee of this Lease either directly or indirectly any consideration for the assignment of this Lease, either in form of cash, goods or services or other consideration, the Tenant shall forthwith pay an amount equivalent to one-half of such consideration to the Landlord as Additional Rent.

ARTICLE X INSURANCE AND INDEMNITY

Section 10.01 Insurance

- (a) The Tenant shall during the Term at its expense, take out and keep in full force and effect the following insurance:
- (i) fire and extended coverage insurance upon property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, and which is located in, at or on the Leased Premises including, without limitation, Trade Fixtures and equipment, furniture, fittings and stock-in-trade in an amount not less than the full replacement cost thereof. If there shall be any dispute as to the amount which comprises full replacement cost, the decision of the Landlord acting reasonably shall be conclusive;
 - (ii) fire and extended coverage insurance upon the Leased Premises and all Leasehold Improvements contained therein in an amount not less than the full replacement cost thereof. If there should be any dispute as to the amount which comprises full replacement cost, the decision of the Landlord acting reasonably shall be conclusive;
 - (iii) comprehensive general liability insurance including but not limited to personal injury liability, contractual liability, contingent employer's liability, non-owned automotive liability and owners' and contractors' protective insurance coverage with respect to the Leased Premises and the Tenant's use of any part thereof, including the activities, operations and work conducted or performed by the Tenant, by any other Person on

behalf of the Tenant, by those for whom the Tenant is in law responsible and by any other Person on the Leased Premises; such policy or policies shall be written with inclusive limits of not less than \$3,000,000.00 for any one occurrence and such higher limits as the Landlord may reasonably require from time to time;

- (iv) business interruption and loss of rental income insurance acceptable to the Landlord acting reasonably in such amount as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in subparagraphs (i) and (ii), where applicable, and other perils commonly insured against by prudent tenants operating under similar circumstances, provided that such insurance will reimburse the Tenant for at least 100% of the Rent payable by the Tenant for at least two (2) years; and
- (v) any other form of insurance as the Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent landlord or tenant under similar circumstances would insure.

(b) Each of the foregoing policies of insurance shall be with insurance companies acceptable to the Landlord acting reasonably and shall name the Landlord and its Mortgagee(s) of which the Tenant has been given notice, if any, as additional named insured's as their interests may appear and shall contain: the standard mortgage clause as may be required by the Mortgagee(s); a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord or those for whom the Landlord is in law responsible to the extent of insurance proceeds recoverable by the Tenant; a severability of interests clause and a cross liability clause; a waiver in favour of the Landlord and its Mortgagee(s), if any, of any breach of warranty clause to the effect that such insurance policy not be invalidated as respects their interests by reason of any breach or violation of any warranties, representations, declarations or conditions contained in such policy; and a clause stating that such insurance policy will be considered as primary insurance and shall not call into contribution any other insurance that may be available to the Landlord. Each of the foregoing policies of insurance shall be taken out with insurers acceptable to the Landlord, shall be in form satisfactory from time to time to the Landlord and shall contain an undertaking by the insurer to notify the Landlord and its Mortgagee(s), if any, in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof. The Tenant shall deliver to the Landlord and its Mortgagee(s), if any, certificates of such insurance.

The Landlord shall maintain the following insurance policies in such amounts and deductibles as would be carried by a prudent landlord throughout the Term (and renewals):

- (i) insurance on the Leased Premises and the Building (and all equipment, boilers and machinery therein owned by the Landlord) for not less than the full replacement cost thereof against damage by fire and extended perils (including flood, earthquake and sewer backup and the standard commercial building form "All Risks Perils") and which insurance shall include a by-law endorsement;
- (ii) commercial general liability insurance including public liability and property damage insurance, naming the Tenant as an additional named insured and with minimum limits of \$2,000,000.00 per occurrence as regards the covering claims for personal injury and property

of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence in, upon or at the Leased Premises, or the occupancy or use by the Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant or by any Person permitted to be on the Leased Premises by the Tenant unless such act or omission is the result of the negligence of the Landlord or those for whom it is in law responsible. If the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this Lease, unless a court shall decide otherwise.

ARTICLE XI DAMAGE AND DESTRUCTION

Section 11.01 Repair or Replacement

- (a) If the Building shall damaged or partially destroyed by any cause whatsoever, the Tenant shall promptly give to the Landlord notice thereof, and as soon as same can be ascertained, shall promptly give to the Landlord particulars (including the cause, nature and extent) of such damage or destruction and shall forthwith repair or replace the damage or destruction at its expense.
- (b) In the event of substantial damage or destruction of the Leased Premises, or any portion thereof and substantial damage or destruction of the Building such as may materially detrimentally affect the Tenant's business, and such damage or destruction shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within days of the happening of such damage or destruction, the Landlord or the Tenant may, within 30 days after the date of the occurrence of such damage or destruction, terminate this Lease on 30 days written notice to the other and the Tenant shall deliver up possession of the Leased Premises accordingly. In the event of substantial damage or destruction of the Building (but not the Leased Premises) which cannot be rebuilt, repaired or restored with reasonable diligence within 365 days of the happening of the damage or destruction, then the Tenant may, within 30 days after the date of the occurrence of such damage or destruction, terminate this Lease on 30 days written notice to the Landlord and the Tenant shall deliver up possession of the Leased Premises accordingly.
- (c) In the event of termination, Basic Rent and Additional Rent shall be apportioned and shall be payable up to the date of the occurrence of the damage or destruction.
- (d) If this Lease are not terminated pursuant to this Section, the Landlord shall commence and proceed diligently to complete the repair and rebuilding of the Leased Premises and Building with all reasonable dispatch.

Section 11.02 Notice by Tenant

The Tenant shall give immediate notice to the Landlord of any fire, accident or defect in the Leased Premises of which it becomes aware or anything connected therewith, but unless otherwise expressly provided herein there shall be no obligation on the part of the Landlord to repair or make good any such matters.

Section 11.03 No Abatement of Rent

If the Leased Premises shall be damaged or destroyed such that the Leased Premises or any substantial part thereof is rendered unfit for occupancy by the Tenant or if there is substantial damage to the Leased Premises or Building such as may materially detrimentally affect the Tenant's business, then from and after the date of occurrence of such damage or destruction and until the completion of repair and rebuilding such that the Leased Premises are again reasonably capable of occupancy and there is no further materially detrimental effect on the Tenant's business, all Basic Rent and Additional Rent payable under this Lease shall abate, by the greater of: (i) in the case of damage or destruction to the Leased Premises, in proportion to the part or parts of the Leased Premises not reasonably capable of occupancy, and (ii) in the case of damage or destruction to the Leased Premises or Building, in proportion to the effect on the Tenant's business.

**ARTICLE XII
DEFAULT OF TENANT**

Section 12.01 Right to Re-enter

If:

- (a) the Tenant fails to pay Rent or any part thereof within five (5) days after notice of such failure has been given to the Tenant; or
- (b) the Tenant fails to keep, observe or perform any other of the terms, conditions, covenants and agreements herein contained on the part of the Tenant to be kept, observed or performed for thirty (30) days after notice of such failure has been given to the Tenant and such failure has not been cured (provided that if such failure is not capable of being cured within such thirty (30) day period, and the Tenant has commenced and is diligently pursuing the cure of such failure as is reasonable); or
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors; or
- (d) a receiving order is made against the Tenant; or
- (e) a receiver or a receiver and manager is appointed for all or a portion of the property of the Tenant; or
- (f) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding up or liquidation of the Tenant or its assets; or
- (g) the Tenant makes a sale in bulk (other than a bulk sale made to a Transferee pursuant to a permitted Transfer hereunder and pursuant to the Bulk Sales Act of Ontario); or
- (h) the Tenant abandons the Leased Premises, or sells or disposes of any Trade Fixtures or removes, or attempts to remove any of them from the Leased Premises without prior written consent of the Landlord except as permitted by this Lease unless the Tenant complies with

Section 8.01(b) hereof; or

- (i) Intentionally Deleted.
- (j) the Term or any of the Tenant's assets shall be taken or exigible in execution or in attachment or if a writ of execution shall issue against the Tenant and not be satisfied within thirty (30) days; or
- (k) re-entry is permitted under any other terms of this Lease;

then and in any of such cases, at the option of the Landlord, the full amount of the current month's Rent and the next ensuing three (3) months Rent shall immediately become due and payable and the Landlord may immediately distrain for the same, together with any arrears then unpaid, and the Landlord shall have, in addition to any other rights or remedies of the Landlord pursuant to this Lease or at law or in equity, the immediate right to re-enter into and upon and take possession of the Leased Premises or any part thereof in the name of the whole and have again, repossess and enjoy the Leased Premises and to remove and store all property in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice or resort to legal process except as otherwise required by law and without the Landlord becoming liable for any loss or damage which may be occasioned thereby.

Section 12.02 Right to Relet

If the Landlord shall be entitled to re-enter, the Landlord may from time to time without terminating this Lease enter the Leased Premises as the agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and make such alterations or repairs as are necessary in order to relet the Leased Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent and upon such other terms, covenants and conditions as the Landlord in its sole discretion considers advisable. Upon each such reletting all rent received by the Landlord from such reletting shall be applied firstly, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord, secondly, to the payment of any costs and expenses of such reletting including brokerage fees and solicitors' fees and the cost of alterations and repairs, thirdly, to the payment of Rent due hereunder, and the residue, if any, shall be held by the Landlord and applied in payment of future Rent as the same becomes due and payable hereunder and the Landlord shall not be accountable for any monies except those actually received notwithstanding any act, omission or default of the Landlord unless such non-receipt results from the negligence of the Landlord or those for whom it is in law responsible. No such entry of the Leased Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of Termination is given to the Tenant. Notwithstanding any such reletting without termination, the Landlord may at any time thereafter terminate this Lease for such previous breach by written notice of termination given to the Tenant.

Section 12.03 Waiver of Exemption and Redemption

The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress and notwithstanding any such statute none of the goods and chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from distress for Rent and/or accelerated Rent in arrears, and that upon any claim being made for such exemption by the Tenant or on distress being made by the Landlord, this Lease may be pleaded as an estoppel against the Tenant in any action brought to test the right to distrain any such goods or chattels as are named as exempted in any such statute.

The Tenant waives and renounces all rights of redemption granted by or under any present or future statute in the event of the Tenant being evicted or dispossessed for any cause or in the event of the Landlord obtaining possession of the Leased Premises by reason of the violation by the tenant of any of the covenants, provisos or agreements of this Lease or otherwise.

Section 12.04 Landlord May Cure Default

If the Tenant is in default of any obligation or covenant under this Lease and the Landlord has complied with the terms of this Lease regarding notice of default to the Tenant and the Tenant has not cured or commenced to cure the default as herein provided, the Landlord shall have the right at all times to remedy or attempt to remedy any such default of the Tenant, and in so doing may make any payments due by the Tenant to the third parties and may enter upon the Leased Premises to do any work or other things therein. All expenses of the Landlord in remedying or attempting to remedy such default shall be payable as Additional Rent by the Tenant to the Landlord forthwith upon demand. The Landlord shall not be liable for any loss or damage to the Tenant's property or business caused by acts of the Landlord in remedying or attempting to remedy any such default. Any such entry by the Landlord shall not be a re-entry or a breach of the covenant for quiet enjoyment contained in this Lease.

Section 12.05 No Waiver of Breach

No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time of any obligations, covenants, terms, provisos or conditions herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance so as to defeat or affect such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by the Landlord save only an express waiver in writing.

Section 12.06 Remedies Cumulative

No reference to, nor exercise of, any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from any other remedy in respect thereof, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any of such remedies independently or in combination.

Section 12.07 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly Basic Rent or any Additional Rent shall be deemed to be other than on account of the earliest stipulated Basic Rent or Additional Rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque or payment of Basic Rent or Additional Rent be deemed an accord and satisfaction and the Landlord may accept such cheque or payment without prejudice to the Landlord's right to recover the balance of such Basic Rent or Additional Rent or pursue any other remedy provided for in this Lease or otherwise.

Section 12.08 Landlord's Expenses

In any of the events referred to in Section 12.01 hereof, the Tenant shall pay to and indemnify the Landlord against all costs, expenses (including reasonable legal fees on a solicitor and his client basis) and charges lawfully and reasonably incurred by the Landlord in enforcing payment of Rent or other sums due

hereunder, or in obtaining possession of the Leased Premises, or in enforcing any covenant, proviso or agreement of the Tenant herein contained.

ARTICLE XIII
MORTGAGE BY LANDLORD

Section 13.01 Subordination

(a) This Lease is, and all of the rights of the Tenant hereunder are, subject and subordinate to the rights of any Mortgagee from time to time and at any time upon fifteen (15) days request by the Landlord or a Mortgagee the Tenant shall promptly execute and deliver at no charge any instrument or further assurance reasonably required to:

(i) postpone and subordinate this Lease to such Mortgage to the effect that this Lease and all rights of the Tenant hereunder shall be subject to the rights of the Mortgagee as though the Mortgage existed prior to the execution and delivery of this Lease; and

(ii) attorn to the Mortgagee and become bound to the Mortgagee as Tenant of the Leased Premises for the then unexpired residue of the Term upon the conditions herein contained,

provided that the Mortgagee enters into a non-disturbance agreement with the Tenant whereby the Mortgagee agrees with the Tenant that it will not disturb the Tenant's possession of the Leased Premises as long as the Tenant is in good standing under this Lease and attorns to the Mortgagee.

(b) The Landlord shall make it's best efforts to obtain a non-disturbance agreement in favour of the Tenant from any Mortgagee or chargee of the Building or the lands underlying same.

Section 13.02 Tenant Not to Create Encumbrances

The Tenant shall not create or permit or allow any mortgage, charge or other encumbrance of its leasehold interest under this Lease and in the Leased Premises unless the prior written consent of the Landlord has been obtained which consent shall not be unreasonably withheld but may be granted on such terms and conditions as the Landlord may reasonably see fit. If requested, the Landlord shall enter into a non-disturbance agreement with any such mortgagee, chargee or encumbrancer on terms satisfactory to the Landlord acting reasonably provided that the non-disturbance agreement shall require the Landlord to give notice of any such default by the Tenant under this Lease to any such mortgagee, chargee or encumbrancer concurrently with any such notice to the Tenant. All reasonable legal costs and other expenses incurred by the Landlord with respect to any such consent or non-disturbance agreement shall be paid by the Tenant to the Landlord forthwith on demand as Additional Rent.

ARTICLE XIV
ACCESS

Section 14.01 Right of Entry

The Landlord and its agents may at all reasonable times, subject to forty-eight (48) hours prior notice to the Tenant, enter upon the Leased Premises to show them to prospective purchasers and Mortgagees and, in addition, the Landlord and its agent may at all reasonable times during the six (6) months prior to the expiry of the Term, subject to forty-eight (48) hours prior notice to the Tenant, enter upon the Leased Premises at a time mutually agreed upon by the parties to show them to prospective tenants. The Tenant shall be entitled to have a representative of the Tenant accompany the Landlord and its agents on any such showing. The Landlord shall use its best efforts not to interfere with the operation of the Tenant's business during a showing.

Section 14.02 Sale and Rental Notices

The Landlord may place upon the Leased Premises a notice of reasonable dimensions and reasonably placed so as not to interfere with the business of the Tenant stating that the Building is for sale and, in addition, the Landlord shall have the right during the six (6) months prior to the termination of this Lease to place upon the Leased Premises a similar notice that the Leased Premises are for rent, and the Tenant will not remove any such notice or knowingly permit the same to be removed.

ARTICLE XV
MISCELLANEOUS

Section 15.01 Signs

The Tenant may install a sign or signs upon the exterior of the Leased Premises subject to compliance with all Applicable Laws and subject to the prior written consent of the Landlord, which consent may not be unreasonably withheld. Upon the expiration or termination of the Term, at the request of the Landlord, the Tenant shall remove any sign which has been installed, erected or displayed in or about the Leased Premises. Such removal will be at the cost of the Tenant. Failure of the Tenant to remove same at the request of the Landlord shall entitle the Landlord to remove such sign at the cost of the Tenant, and the Tenant shall pay such cost together with an additional administrative charge of fifteen (15%) per cent forthwith to the Landlord upon demand as Additional Rent. The obligations of the Tenant under this Section shall survive the expiration or termination of the Lease.

Section 15.02 Force Majeure

If either the Landlord or the Tenant is bona fide delayed or hindered in or prevented from the performance of any provisions of this Lease by causes beyond its reasonable control (but not including any lack of funds or other financial cause of delay), then the performance of the provision of this Lease so delayed, hindered or prevented shall be excused for the period during which such performance is so affected and the time for such performance shall be extended accordingly; provided, that nothing herein contained shall excuse the Tenant from the prompt payment of Rent or any other payments required by this Lease.

Section 15.03 Registration

The Tenant shall not register this Lease without prior written consent of the Landlord. In lieu of giving consent, the Landlord shall execute, at the request and expense of the Tenant, a notice or short form of Lease in a form satisfactory to the Landlord for the purposes of registration which shall suffice to give notice of this Lease and the Tenant's interest in the Leased Premises without disclosure of any of the financial terms of this Lease. The Tenant shall be responsible for the costs of registering such notice of lease.

Section 15.04 Estoppel Certificates

Whenever requested by the other party, the Landlord and the Tenant shall promptly (and in any event within ten (10) business days of a receipt of a request therefor) execute and deliver at no charge a certificate in form satisfactory to the party requesting the certificate acting reasonably in favour of any actual or prospective purchaser assignee or mortgagee, lender or other transferee certifying as to the status and validity of this Lease and the state of the rental account hereunder and such other information as may reasonably be required, all with the intent that any such certificate may be relied upon by the party to whom it is addressed.

Section 15.05 Notices

(a) Any notice, demand, request, consent or other communication (in this Section, a "notice") required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if:

- (i) delivered in person during normal business hours of the recipient on a Business Day and left with a receptionist or other responsible employee of the recipient;
- (ii) except during any period of actual or imminent interruption of postal services due to strike, lockout or other cause, sent by registered mail; or
- (iii) sent by telephonic transmission, charges prepaid:

(A) in the case of a notice to the Landlord at:

18 CLARK AVE WEST
UNIT 140 THORN HILL ONT
L4J 8H1

(B) in the case of a notice to the Tenant at:

5946 Main Street
Unit 4
Stouffville Ontario
Attention: Mark Falzon

(b) Any notice so given shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any interruption of postal services due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day the notice was sent by telephonic transmission, provided such a day is a Business Day and if not, on the first Business Day thereafter. Addresses for notice may be changed by giving notice in accordance with this Section.

Section 15.06 Binding Effect

- (a) In the event of a sale, transfer or lease by the Landlord of the Leased Premises or an assignment by the Landlord of this Lease or any interest of Landlord hereunder, and to the extent that such purchaser, transferee, lessee or assignee has become bound by the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed released and relieved of all further liability upon such covenants and obligations.
- (b) Subject to the foregoing and to the provisions of this Lease respecting assignment by the Tenant, this Lease shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

Section 15.07 Entire Agreement

This Lease and the schedules attached hereto and forming a part hereof, constitute the entire agreement between the Landlord and the Tenant and, except as herein otherwise expressly provided, may be amended only by an agreement in writing signed by them. Neither the Landlord nor the Tenant shall be bound by any representations, warranties, promises, agreements or inducements not embodied or referred to in this Lease and, in particular but without limitation, no warranties of the Landlord are to be implied unless expressed specifically in this Lease.

ARTICLE XVI LANDLORD'S COVENANTS

Section 16.01 Quiet Enjoyment

The Landlord covenants with the Tenant for quiet enjoyment provided that nothing contained in this covenant, or otherwise in this Lease, shall be construed as a warranty by the Landlord to the Tenant with respect to any adverse claims, acquired title, or asserted by persons claiming by, from or under any predecessor in title to the Landlord.

Section 16.02 Landlord's Repairs

The Landlord shall at its expense:

repair any structural defects in the Building.

Section 16.03 Warranties

The Landlord represents and warrants that as of the Commencement date:

- (a) all air conditioning and gas fired units and heating, electrical plumbing, lighting and sprinkler systems and all other mechanical systems in the Building will be in good working order;
- (b) the Leased Premises are permitted to be used for the purpose of a restaurant and complies with all building, zoning and other governmental bylaws, rules or regulations applicable to the

Leased Premises;

- (c) the Landlord has good and marketable title in fee simple to the Building, free and clear of all leases, agreements, restrictions, liens, encumbrances or defects in title that would affect the Tenant's use of the Premises;
- (d) the Landlord is not in any default under any lease of the Building or any Mortgage that encumbers the Building which would entitle the lessor to terminate such lease or the mortgagee to exercise its remedies under such mortgage;
- (e) all consents or approvals for this agreement or the Lease required by the terms of any lease or mortgage have been duly obtained by the Landlord; and
- (f) all activities in the building in the reasonable control of the Landlord have been and will in the future be undertaken in full compliance with all environmental protection legislation.

Section 16.04 Taxes

The Landlord shall pay to the lawful taxing authority Taxes as they fall due.

Section 16.05 Exclusive

The Landlord shall not at any time throughout the Term or any renewal or extension thereof, lease or permit to be leased any part of the Building (other than the Leased Premises) for use as (i) a sit down restaurant selling alcohol; and (ii) a restaurant, whether sit-down or take-out that sells chicken as its primary menu item. The Landlord further agrees not to lease or permit to be leased any part of the Building (other than the Leased Premises) for the sale of chicken wings.

**ARTICLE XVII
EXPROPRIATION**

Section 17.01 Expropriation

If the whole or any part of the Leased Premises shall be taken or expropriated during the Term neither the Landlord nor the Tenant shall have a claim against the other for the shortening of the Term or any unexercised extension or renewal thereof, or the reduction or alteration of the Leased Premises and the Landlord and Tenant may each exercise fully all rights, remedies and claims for compensation which each may have under the applicable expropriation legislation and this Lease shall not terminate except to the extent required by the applicable expropriation legislation.

Section 17.02 Claims for Compensation

The Landlord and the Tenant shall inform each other fully of the claims for compensation made by each of them in the event of any taking or expropriation and shall not claim compensation on any basis inconsistent with this Lease and shall afford reasonable co-operation to each other in the prosecution of any proper separate claims.

ARTICLE XVIII
ARBITRATION

Section 18.01 Procedure

Any dispute which arises between the Landlord and the Tenant concerning matters under this Lease, shall be determined and settled in accordance with the following procedure. If the parties can agree in writing upon the appointment of a single arbitrator, that arbitrator shall determine the matter or matters submitted to him. If the parties cannot agree on the appointment of a single arbitrator, then the party requiring a matter to be determined by arbitration (first party) shall give notice the other party (second party) of the matter to be determined plus the name and address of the arbitrator appointed by the first party. Within fifteen (15) days of the receipt of such notice by the second party, the second party shall give notice to the first party of the name and address of the arbitrator appointed by the second party and, failing such notice by the second party, the second party, both arbitrators shall forthwith proceed to determine the matter. If such notice is given by the second party, both arbitrators shall forthwith proceed to appoint a third arbitrator who shall be chairman. If such third arbitrator has not been appointed within fifteen (15) days of the receipt of notice by the first party from the second party, either party may apply to a Judge of the Ontario Court of Justice (General Division) or under the provisions of the Arbitration Act, 1991 of Ontario or any other similar successor legislation then in force for the appointment of such third arbitrator. Forthwith on the appointment of the third arbitrator, the arbitrators shall determine the matter. The decision of the arbitrator or a majority of the arbitrators shall be final and binding on the parties hereto and not subject to appeal save in regard to a question of law provided that notice of such appeal is served on the other party and filed in Court within ten (10) days of the receipt by the parties of the written decision of the arbitrator or arbitrators. Each party shall bear one-half the cost and expense of the arbitration.

ARTICLE XIX

Section 19.01 Option to Renew

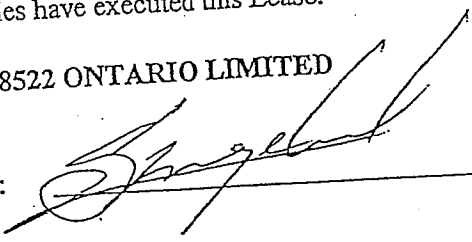
If the Tenant duly and regularly pays the Rent and all other charges herein provided for and throughout the Term observes and performs all of the covenants, provisos and agreements herein on the part of the Tenant to be observed and performed, the Tenant shall have the option, exercisable by notice delivered to the Landlord no later than six (6) months prior to the expiration of the initial Term or the first renewal term, as the case may be, to renew this Lease for two (2) further periods of five (5) years each (in each case, the "renewal term") upon the same terms and conditions as are herein except, in the case of the second renewal term, for this option to renew, and the amount of Basic Rent to be paid during the first renewal term will be

\$23.00 per square feet based on 1900 square feet that being \$43,700 for years 6-8 and
\$25.00 per square feet based on 1900 square feet that being \$47,500 for years 9-10.

The second renewal term shall be the then current fair market rent for comparable premises in a comparable area determined by negotiation between the Landlord and the Tenant. If the amount of Basic Rent to be paid during the renewal term has not been agreed to in writing by the Landlord and Tenant within six (6) months of the giving of the notice exercising the option to renew, then the matter shall be determined by arbitration pursuant to Article 18 hereof. If the Basic Rent for the renewal term is not determined until after the expiration of the second Term or the first renewal term, as the case may be, the Tenant shall continue to pay Basic Rent in the amount and manner payable for the last year of the second Term, until the Basic Rent for the renewal term has been determined. Any increase in the Basic Rent for the renewal term shall be paid by the Tenant to the Landlord.

IN WITNESS WHEREOF the parties have executed this Lease.

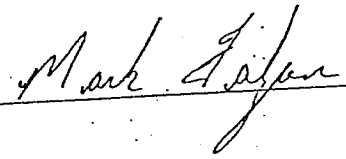
1008522 ONTARIO LIMITED

Per:  c/s

Per: _____

I/We have authority to bind the Corporation.

1656883 ONTARIO INC.

Per:  c/s

Per: _____

I/We have authority to bind the Corporation.

29

SCHEDULE "A"
LEGAL DESCRIPTION

Lot 24 and Part Lot 25, Plan 455, Stouffville as in R609957, PIN 03716-0059

2004-10-01
2009-09-30

(Amending Agreement)
Lease Extension Mac's ref. #61114-01

LEASE AGREEMENT

THIS INDENTURE dated 12th day of April, 2005.

BETWEEN: **1008522 ONTARIO LIMITED,**
registered owner of premises leased herein,
hereinafter referred to as "Lessor"

-and-

MAC'S CONVENIENCE STORES INC.,
a company incorporated under the Laws of the Province of Ontario.
hereinafter referred to as "Lessee"

WHEREAS by a Lease (the "Lease Agreement") dated May 11, 1988, STOUFFVILLE COTENANCY LTD. as landlord did demise and lease to THE BECKER MILK COMPANY LIMITED as tenant, the premises municipally known as 5946 Main Street (formerly known as 345 Main Street), Stouffville, Ontario, consisting of a ground floor store containing 2,430 square feet, for a term ending September 30, 1999.

AND WHEREAS all interests of the tenant under the Lease Agreement were assigned to SILCORP LIMITED.

AND WHEREAS by Articles of Amendment, Silcorp Limited changed its name to MAC'S CONVENIENCE STORES INC. on December 15, 1999.

AND WHEREAS all interests of the landlord under the Lease Agreement were assigned to 1008522 ONTARIO LIMITED as landlord under the Lease Agreement.

AND WHEREAS by a Lease Amendment And Renewal Agreement dated May 1, 2000 between 1008522 ONTARIO LIMITED (the "Lessor") and MAC'S CONVENIENCE STORES INC. (the "Lessee"), the said Lease Agreement was further extended for a term ending September 30, 2004.

AND WHEREAS the Lease Agreement and the aforesaid Lease Amendment And Renewal Agreement are hereinafter collectively referred to as the "Lease".

AND WHEREAS the parties hereto agree that the Lease is in full force and effect.

NOW THEREFORE BE IT AGREED BETWEEN THE PARTIES AS FOLLOWS:

The term of the Lease shall be extended for a further term of 60 months, commencing October 1, 2004 and each and every one of the provisions of the Lease are to remain in full force and effect up to and including September 30, 2009 save and except the parties hereto agree to amend the Lease effective from October 1, 2004 as follows:

1. Delete the provisions of the Lease pertaining to "Term of tenancy" and replace with the following:

TO HAVE AND TO HOLD the Leased Premises for and during a term of 60 months to commence on October 1, 2004 and thenceforth next ensuing and fully to be completed and ended on September 30, 2009 (sometimes hereinafter referred to as "Second Renewal Term").

2. Delete the provisions of the Lease pertaining to Minimum Rent and replace with the following:

YIELDING AND PAYING THEREFORE unto the Lessor, its successors and assigns (at such place or places as the Lessor shall designate from time to time in writing) yearly and every year throughout the Second Renewal Term hereby demised a Minimum Rent equal to:

[Handwritten signatures]

DURING THE PERIOD OCTOBER 1, 2004 TO SEPTEMBER 30, 2009:

A) SEVENTY-SEVEN THOUSAND, SEVEN HUNDRED AND SIXTY DOLLARS (\$77,760.00) PER ANNUM PAYABLE IN EQUAL CONSECUTIVE MONTHLY INSTALMENTS OF SIX THOUSAND, FOUR HUNDRED AND EIGHTY DOLLARS (\$6,480.00) EACH IN ADVANCE ON THE FIRST DAY OF EACH MONTH.

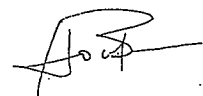
3. Delete the provisions of clause 5.(b) of Lease Agreement dated May 11, 1988. For the purposes of clarification, the parties acknowledge and agree that the Lessee shall be entitled to two (2) remaining five year renewal options pursuant to the provisions of clause 6. of Lease Amendment And Renewal Agreement dated May 1, 2000.

4. The Lessor warrants that it has the right, power, and authority to execute this Lease Extension Agreement.

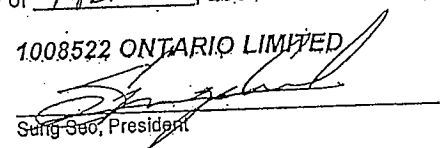
IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS AND SEALS.

DATED at MISSISSAUGA, this 12 day of April, 2005.

Witness:



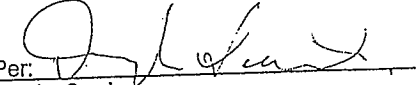
1008522 ONTARIO LIMITED


Sung-Goo, President

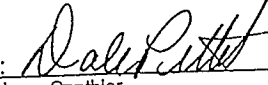
I have authority to bind the Corporation.

DATED at Toronto (formerly known as Scarborough) Ontario, this 13th day of April, 2005.

MAC'S CONVENIENCE STORES INC.

Per: 
Douglas Scanlon,
Director, Lease Administration

RE: #61114-01

Per: 
Stephane Gunther,
Vice President of Operations, Central Canada

DALE PETTIT
VICE PRESIDENT AND TREASURER

LEASE AMENDMENT AND RENEWAL AGREEMENT

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THIS Lease Amendment and Renewal Agreement is made as of May 1, 2000

BETWEEN:

1008522 ONTARIO LIMITED

(hereinafter referred to as the "Landlord" or Lessor")
OF THE FIRST PART;

-and-

[Signature] MAC'S CONVENIENCE STORES INC.

(hereinafter referred to as the "Tenant" or "Lessee")
OF THE SECOND PART;

WHEREAS STOUFFVILLE COTENANCY LTD. as Lessor and THE BECKER MILK COMPANY as Lessee, entered into a Lease Agreement dated the 11th day of May, 1988, a photocopy of which is attached hereto and marked Appendix "1" (hereinafter called the "Lease") respecting the premises municipally known as 5946 Main Street, Stouffville, Ontario for a term of ten (10) years commencing the 1st day of October, 1988 and expiring the 30th day of September, 1999 together with two (2) successive options to renew for a further period of five (5) years.

[Signature] AND WHEREAS all interests of the Landlord have been assigned to 1008522 Ontario Limited as Landlord under the Lease.

[Signature] AND WHEREAS all interests of the Tenant have been assigned to Mac's Convenience Stores Inc. as Tenant under the Lease.

AND WHEREAS Section 5 of the Lease provides that the Landlord will grant to the Lessee an option to extend the term of the Lease for a further period of five (5) years upon the same terms and conditions, save and except for the rental rate to be paid and any further right of renewal;

AND WHEREAS pursuant to the said option to extend the term of the Lease, the Landlord and the Tenant have agreed to extend the term of the Lease for a further period of five (5) years commencing October 1, 1999 and terminating September 30, 2004, upon the terms and contains hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of TWO (\$2.00) dollars paid to the Landlord, receipt of which is hereby acknowledged, the parties covenant and mutually agree to renew the lease as follows:

1. The parties hereby acknowledge, confirm and agree that the foregoing recitals are true in substance and in fact. Any word or phrase used herein which is defined in the Lease shall have the same meaning herein.
2. The Landlord agrees with the Tenant to accept a renewal of the term of the Lease for FIVE (5) years commencing October 1, 1999 and expiring on September 30, 2004.
3. The Lease is extended for a further term of five (5) years (the "First Extended Term") to be computed from October 1, 1999 and fully to be complete and ended on September 30, 2004.
4. The minimum rent from October 1, 1999 to September 30, 2004 shall be set at SEVENTY-TWO THOUSAND NINE HUNDRED DOLLARS (\$72,900.00) per annum paid in equal consecutive monthly instalments of a SIX THOUSAND AND SEVENTY-FIVE DOLLARS (\$6,075.00) each in advance on the first day of each month of the renewal term, which rental rate is computed at the rate of THIRTY DOLLARS (\$30.00) per square foot per annum.

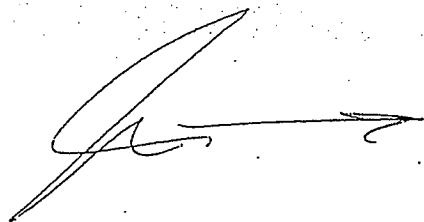
5. The Landlord and Tenant hereby agree that for purposes of determining the rent payable by the Tenant under the Lease, that the demised premises shall be conclusively deemed to be 2,430 square feet.
6. The Landlord agrees that notwithstanding that the first option to renew for a period of five (5) years has now been exercised in accordance with Section 5 of the Lease Agreement, the Tenant shall be granted two (2) further options to renew for five (5) years, respectively, the terms of which shall be governed in accordance with Section 5 of the Lease Agreement, save and except that in the event that the Tenant wishes to exercise its rights of renewal, it shall deliver notice of the Landlord to such effect at least six (6) months prior to the expiration of the term or of the first renewal term and if such notice is not provided within the said six (6) month period, then the option to renew shall be deemed null and void.
7. The parties confirm that in all other respects, the terms, covenants and conditions of the Lease remain unchanged, unmodified, and in full force and effect, except as modified by this Agreement.
8. This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, as the case may be.
9. The Landlord warrants that it has the right, power, and authority to execute this Lease Extension Agreement.

DATED at Toronto as of the 1st day of May, 2000.

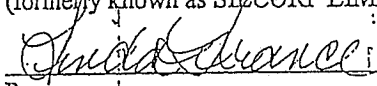
SIGNED, SEALED AND DELIVERED)


in the presence of)

Re: Mac's #61114)



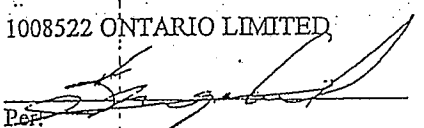
MAC'S CONVENIENCE STORES INC. - Tenant
(formerly known as SILCORP LIMITED)


Per: _____


Per: DAVID PETTIT
VICE PRESIDENT

We have authority to bind the Corporation

1008522 ONTARIO LIMITED


Per: _____
I have authority to bind the Corporation

THIS LEASE is made as of the 11th day of May, 1988
IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT
BETWEEN:

STOUFFVILLE COTENANCY LTD.
48 St. Clair Avenue West,
Suite 700,
Toronto, Ontario
M4V 2Z2

(hereinafter called the "Landlord")

OF THE FIRST PART

- and -

THE BECKER MILK COMPANY LIMITED
a corporation incorporated under
the laws of the Province of
Ontario,

(hereinafter called the "Tenant")

OF THE SECOND PART

DEFINITIONS

1. For the purposes of this Lease, the following terms have the meanings hereinafter ascribed to them:

(a) "Agreement to Lease" shall mean the agreement to lease entered into between the parties hereto dated March 15, 1988.

(b) "Building" shall mean the building located on the Lands, including electrical room and garbage room.

(c) "Commencement Date" shall mean the first day of the month which falls after the expiration of 60 days from the date upon which the Tenant acknowledges that the Landlord has performed all of its work contemplated by the Agreement to Lease.

(d) "Lands" shall mean the lands owned by the Landlord and described as the North-East corner of Winona Drive and Main Street, Stouffville, Ontario, as set out in Schedule "A" attached hereto.

(e) "Lease Year" shall mean a twelve-month period commencing on the Commencement Date or any anniversary thereof.

(f) "Premises" shall mean that part of the Building outlined in red on the plan annexed hereto as Schedule "A" containing approximately 2200 square feet. Being the most easterly store in the plaza, including a Self-Serve Gas Bar with canopy, including tenant's proportionate share of gas and electrical rooms.

(g) "Project" shall mean the Building and the Lands

(h) "Proportionate Share" shall mean the ratio of the leaseable square footage of the Premises in the Building plus the area of land covered by the canopy bears to the total leaseable square footage of the Building, plus the area of the land covered by the canopy. The Landlord shall deliver an architect's certificate setting out the total leaseable square footage of the Premises and the Building and land covered by the canopy.

(i) "Rent" means the Minimum Rent, and any additional rent payable by the Tenant hereunder.

DEMISE

2. (a) The Landlord, in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed doth demise and lease unto the Tenant the Premises and all rights and appurtenances thereunto appertaining. The Landlord represents and warrants that it is authorized to lease the Premises to the Tenant and that the building for part of the premises will be reasonably fit for the purposes of the Tenant.

(b) The Tenant, its employees, agents and invitees shall have the use in common with other tenants of the Building of all of the common areas and facilities of the Building and the lands including, without limitation, the parking areas, sidewalks and entrances. It is agreed between the parties hereto that the Landlord shall not expand the Building or build any structures on the parking areas without first obtaining the written consent of the Tenant.

GENERAL COVENANTS OF TENANT

3. Tenant covenants with the Landlord:

(a) to pay Rent; and

(b) To observe and perform all the conditions, covenants and provisos of this Lease on the part of the Landlord to be observed and performed.

GENERAL COVENANTS OF LANDLORD

4. The Landlord covenants with the Tenant:

(a) For quiet enjoyment; and

(b) To observe and perform all the conditions, covenants and provisos of this lease on the part of the Landlord to be observed and performed.

TERM

5. (a) The term of this lease (herein called the "Term") shall be for Ten (10) Years computed from the Commencement Date subject to any renewal provisions herein.

(b) Provided it is not in default hereunder, the Tenant shall have the right to renew this lease for two further terms of five (5) years each upon the same terms and conditions as contained herein save for the rent. The rent to be paid by the Tenant for each of such renewal terms shall be settled by arbitration in accordance with the provisions of the Arbitration Act (Ontario). The decision of any arbitration panel shall be final and binding upon the parties hereto. If the Tenant wishes to exercise its right of renewal, it shall deliver notice to the Landlord to such effect at least six (6) months prior to the expiration of the Term or of the first renewal term. If such notice has not been delivered within such period, the Landlord shall deliver notice to the Tenant to such effect and the Tenant shall have fifteen (15) days after receipt of such notice to deliver notice of its intention to exercise its right of renewal.

(c) If the Tenant remains in possession of the Premises after the expiration of the Term without objection by the Landlord, the Tenant shall be a monthly tenant only at a monthly rental equal to the monthly rental previously paid.

by the Tenant in accordance with this Lease during the month immediately preceding the expiration of the Term. Such monthly tenancy shall, in all other respects, be upon the same terms and conditions as contained herein.

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(d) Notwithstanding what is contained herein, in the event the options to renew or either of them are exercised, the rental payable during such option term shall in no event be less than the rental payable during the immediately preceding rental year.

RENT

6. (a) The Tenant shall pay to the landlord an annual minimum rent (the "Minimum Rent") equal to Twenty Four (\$24.00) Dollars per leaseable square foot of the Premises during Years One through Five and Twenty-Seven (\$27.00) Dollars per leaseable square foot of the Premises during Years Six through Ten, and during years 11 through 15 at a rental to be negotiated but not to exceed Thirty Dollars (\$30.00) per square foot of the Premises and during years 16 through 20 at a rental to be negotiated but not to exceed Thirty Two Dollars (\$32.00) per leaseable square foot of the Premises to be measured by the architect of the Landlord to be paid in equal monthly installments in advance, on the first day of each month.

(b) Minimum rent will be payable during the Term at the rate of Fifty-Two Thousand, Eight Hundred (\$52,800.00) during years One through Five and Fifty-Nine Thousand, Four Hundred (\$59,400.00) during years Six through Ten per annum, and shall be payable in equal monthly installments of Four Thousand, Four Hundred DOLLARS (\$4,400.00) during years One through Five and Four Thousand, Nine Hundred and Fifty DOLLARS (\$4,950.00) during years Six through Ten, in advance on the day of each month, the first of such installments to become due and payable on the First day of the month in which the date of commencement falls. The immediately preceding rentals are based on the premises having an area of 2200 square feet.

(c) All payments required to be made to the Landlord by the Tenant under or in respect of this lease shall be made to the Landlord at the Landlord's Office at:

48 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 2Z2,

or to such agent or agents of the landlord or at such other place as the Landlord hereafter from time to time directs in writing to the Tenant.

TAXES

7. (a) The Tenant shall pay and discharge when due:

(i) The amount (equal to the product of the assessment of the Premises multiplied by the then current commercial mill rate) of all charges, taxes, rates, including local improvement rates, duties, assessment and license fees that may be levied, voted, charges or assessed against the Premises. If the Premises are not separately assessed the Tenant shall pay its Proportional Share of all such taxes assessed against the Building. Prior to demanding payment of such taxes, the Landlord shall submit receipted tax bills to the Tenant with its invoice for such taxes.

(ii) Every tax and license fee in respect of the business carried on by the Tenant on the Premises, or in respect of the use or occupancy of the Premises by the Tenant (and any and every of its subtenants).

The Tenant shall pay and discharge such amounts whether such taxes, rates, duties, charges, assessments and license fees are charges by a municipal, parliamentary, school or other body of competent jurisdiction during the Term. If, at the election of the Tenant, the Premises are at any time during the Term assessed for the support of separate schools, the full amount of any increase in taxes resulting thereby shall be paid by the Tenant. The Tenant may appeal any taxes assessed against the Premises provided that the Tenant shall pay such taxes pending such appeal if so required by the Taxing authority.

(b) Nothing herein contained shall require the Tenant to pay income taxes assessed against the Landlord or transfer taxes of the Landlord or any person claiming by, through or under the Landlord including, without limiting the foregoing, corporation taxes, withholding taxes, capital inheritance, estate, succession or similar taxes, present or future, imposed on the Landlord or any person claiming by, through or under it.

(c) This lease shall be net net or carefree save as herein contained and shall include the Tenant's proportionate share of common area charges including realty taxes. A 15% surcharge will be paid on all common area charges exclusive of realty taxes.

(d) **

UTILITY RATES

A. The Tenant shall pay and discharge all rates and charges for electricity, water, oil, gas, light, heat, air-conditioning, power, telephone and other public utilities and services supplied to or used on or in connection with the Premises, or in connection with the business or occupation of the Tenant and indemnify and keep indemnified the Landlord and the Premises from and against the payment of all losses, costs and charges and expenses in respect thereof. If such charges and rates are not separately metered for the Premises, the Landlord shall, at its own expense, install separate meters. The Tenant shall at all times have access to all meters, fuse boxes and connections for such utilities and, if necessary, the Landlord shall supply the Tenant with keys for such access.

INSURANCE

9. (a) The Landlord shall take out and keep in full force and effect during the Term the following insurance coverage related to the Building and the lands;

(i) insurance against loss or damage by fire and against loss or damage for other reasons as are covered by endorsements commonly known as "supplemental or extended coverage; and where applicable, boiler and pressure vessel insurance and such coverage as may from time to time throughout the Term be customarily carried in respect of similar premises;

(ii) bodily injury and property damage liability insurance against claims for bodily injury, death or property damage occurring in or about the Building or the lands; and

(d) the tenant shall pay any tax on rental or other tax imposed or levied by any Public Body having Authority arising out of the Tenant's occupancy of the demised premises, including any goods and services tax.

(iii) such other insurance against other insurable hazards and in such amounts as may from time to time be customarily carried in respect of premises similar to the Building and the Lands.

Such policies of insurance shall name the Tenant as a named insured and shall contain a waiver of subrogation of the insurers' rights against the Tenant, its employees, agents and invitees. The Landlord shall, at the request of the Tenant, deliver certified copies of such insurance policies and receipted invoices evidencing all premiums paid therefor. Should such insurance premium be increased due to the Gas Bar then the Tenant shall pay the increased premium resulting from such an installation.

(b) The Tenant shall pay its proportionate share of the costs of the foregoing insurance, and any increase in insurance premium arising out of the tenant's use and all insurance premium and expense take out and keep in full force and effect.

relating to insurance exclusively for the gas bar and canopy.

(c) The Tenant shall during the Term at its sole cost and expense take out and keep in full force and effect property damage and public liability insurance with respect to the Premises on a comprehensive basis with limits of not less than \$1,000,000.00 for bodily injury to any one person and \$2,000,000.00 for any one occurrence. All policies of insurance carried by the Tenant shall name the Landlord as its interest may appear. The Tenant agrees to produce to the Landlord, from time to time, certificates of insurance evidencing the Tenant's compliance hereunder forthwith after every reasonable request of the Landlord.

MAINTENANCE OF BUILDING AND COMMON AREAS

10. (a) The Landlord shall clean, maintain, repair and operate the Building and the common areas and facilities of the Land and the Building in a first-class manner which include, without limitation, keeping such common areas and facilities free and clean of snow and ice, removing all garbage from all premises in the Building and all debris and litter on a daily or other appropriate basis. The Landlord shall require all tenants of the Building to maintain their premises in a similar fashion. Such maintenance shall not include maintenance of the gas bar and canopy.

(b) The Tenant shall pay its Proportionate Share of the cost of maintenance of the Building and the common areas and facilities, including, without limitation, its Proportionate Share of the cost of cleaning, removing garbage, maintaining and repairing (save as otherwise set out herein) the Building and all common areas and parking areas. The Tenant shall also pay the cost of maintenance of the gas bar and canopy.

the gas bar and canopy.

(c) The Landlord shall, at its own cost and expense, effect all capital and structural repairs and replacements to the Building, the mechanical systems and the common areas, but the Landlord shall also repair and replace any and all damage caused or resulting from reasonable wear and tear.

CARE, USE, MAINTENANCE AND ALTERATION OF PREMISES

11. (a) The Tenant may use the Premises for the purpose of operating a retail store. The Landlord covenants and agrees on behalf of itself and its successors and assigns to prevent any other store in the Building from:

- (i) selling milk, ice cream, bread or groceries, lottery tickets or cigarettes or any of such items; and video movie rentals.

*including the use of a cash dispensing machine.

(ii) operating as an arcade, variety store or amusement centre.

(iii) Notwithstanding the foregoing, this shall not be a prohibition against the sale of milk in small take-out containers, ice-cream as a desert in the restaurant premises or cigarettes from a vending machine.

(b) If after thirty (30) days' notice from the Tenant to the Landlord the Landlord is in breach of any of the terms and conditions of this Lease or if any tenant of the Building is in breach of this provision:

(i) claim for injunctive relief, damages and/or resort to any other legal remedies available to the Tenant.

(c) The Landlord acknowledges and agrees that the Tenant is entering into this Lease based upon the representation by the Landlord that the Building will be operated in a first class manner and will use its best efforts to ensure that it will be fully leased out to tenants so as to obtain the maximum amount of customers and traffic.

(d) The Landlord represents and warrants that the Premises and all fixtures and facilities, including, without limitation, all mechanical equipment, have been or will be pursuant to the Offer to Lease constructed and installed in such a manner so as to be adequate and appropriate for the use thereof by the Tenant. The Landlord covenants to correct any defects or deficiencies in the Premises and all fixtures and facilities for any defects or deficiencies occurring during the period expiring one (1) year after the Commencement Date.

(e) The Tenant shall not do or suffer any waste or damage, disfigurement or injury to the Premises or any part thereof use or permit to be used any part of the Premises for any dangerous, noxious or offensive trade, business or other activity. The Tenant shall not cause or suffer any nuisance in, on or about the Premises. The Landlord acknowledges that the use of the Premises by the Tenant contemplated by paragraph (a) of this section 11 will not be a breach of this provision.

(f) The Tenant, shall be responsible for all maintenance of the premises save reasonable wear and tear and structural repairs. at its own expense, shall maintain and keep the interior of Premises and every part thereof in good order and condition save for structural repairs, repairs to be made by the Landlord hereunder and any repairs made necessary by reasonable wear and tear, fire explosion, lightning, tempest, acts of God or any other hazard against which the Landlord is insured or is required to maintain insurance.

(g) The Landlord shall make all necessary repairs or replacements to the exterior of the Premises and the structure of the Premises including, without limitation, the foundations, exterior weather walls, sub-floor, roof support or structure, bearing walls, structural columns and beams of the Building. The Landlord shall repair and maintain the plumbing, electrical, heating, air-conditioning and sprinkler systems installed in the Building and servicing the Premises (unless such systems have been installed by the Tenant or unless such systems have been installed by the Landlord for the exclusive use of the Tenant).

(h) Provided that it does not interfere with the business of the Tenant, the Landlord may on reasonable notice, during normal business hours enter the Premises to inspect the condition thereof. Where an inspection reveals

**The Tenant shall, if required by the landlord at the time above noted, remove from the premises any underground tank installed by it, or installed at its request, and remove all soil which in the reasonably judgment of the Landlord has become contaminated, refill any hole or depression arising therefrom, with clean compacted soil or sand.

repairs which are necessary and which are the Tenant's obligations under this lease, the landlord shall give the Tenant notice in writing. Upon receipt of such notice, the Tenant will, within 30 days from the date of delivery of the notice or such longer period as is necessary having regard to the repairs required, commence and undertake to make all such repairs and will continue with the making of the necessary repairs until they have been completed. Provided that if the Tenant shall neglect, after receiving such notice in writing, or shall refuse to make or cause such repairs to be made, the landlord may make or cause such repairs to be made and all reasonable and proper expenses incurred and expenditures made by or on behalf of the Landlord under this provision shall be forthwith paid by the Tenant. If the Tenant fails to pay the same then the Landlord may add the same to the Rent and recover the same by all remedies available to the Landlord for the recovery of rent in arrears.

(i) Save as provided for herein, the Tenant will promptly comply with all the present and future laws, by-laws, ordinances, orders, rules, regulations and requirements of all federal, provincial and municipal governments, courts, department commissions, boards and offices, and all reasonable orders, rules and regulations of the Canadian Fire Underwriters Association or any other body exercising similar functions, which may be applicable to the Premises. The Tenant shall be required to comply with such requirements only in so far as non-compliance may arise out of the use being made of the Premises by the Tenant and not if the Premises fail to comply with such requirements on the Commencement Date or if non-compliance affects the performance as a whole or arises out of some default in the performance of such requirements by the landlord or other tenants or occupants of the Building.

(j) The Tenant shall on the last day of the Term or upon any earlier termination of this Lease or upon any re-entry by the landlord upon the Premises surrender and deliver up the Premises into the possession and use of the Landlord without delay and in good order, condition and repair (save for reasonable wear and tear and for repair or damage for which the landlord is insured or is obligated to repair hereunder), free and clear of all lettings and occupancies and free and clear of all liens and encumbrances other than those, if any, created by the landlord or subsequent owners of the Premises. **

(k) The Tenant shall not make any structural or substantial alterations to any part of the Premises without first obtaining the landlord's written approval which approval will not be unreasonably withheld or delayed. Any such alterations made by the Tenant without the prior written approval of the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at the Tenant's expense and the Premises restored to their previous condition.

INJURY TO PREMISES

17. Provided that if during the Term the Building or the Premises shall be damaged or destroyed by any cause, then the following provisions shall have effect:

(a) If the Premises shall be so badly damaged so as to render the Premises unfit for the Tenant's use and occupancy and shall in the reasonable mutual opinion of the Landlord and the Tenant be incapable, with reasonable diligence, of being repaired within one hundred and eighty (180) days from the happening of such injury, then either the Landlord or the Tenant may elect to terminate the Term forthwith and upon the making of such election the Tenant shall immediately

surrender the Premises to the Landlord and shall pay Rent to the time of such damage or destruction, and the Landlord may re-enter and repossess the Premises discharged of this lease.

- (b) If the Premises will in the reasonable mutual opinion of the landlord and the Tenant be capable, with reasonable diligence, of being repaired and rendered fit for the Tenant's use and occupancy of the Premises within one hundred and eighty (180) days from the happening of such damage as aforesaid then the Rent hereby reserved shall abate in the proportion that the part of Premises that the Tenant is unable to occupy and does not use bears to the whole of the Premises.
- (c) If the damage or destruction is such as to render seventy-five percent (75%) or more of the Building wholly unfit for occupancy or impossible or unsafe for use and occupancy and whether or not the Premises themselves are so destroyed or damaged or affected, then the Tenant may terminate this lease by giving written notice after the happening of such destruction or damage. If such notice is given this Lease shall terminate on the date on which such notice is given, and the Tenant shall immediately surrender possession of the Premises to the Landlord and Rent payable by the Tenant pursuant to this Lease shall be adjusted and be payable by the Tenant to the date of such destruction or damage.
- (d) If this lease is not terminated as aforesaid, the Landlord shall proceed diligently to repair such damage and restore the Premises to at least the same condition as existed prior to the occurrence of such damage or destruction. Rent shall commence thirty (30) days after the Landlord has completed such repairs.

SIGNS

13. (a) The Tenant shall have the right to erect such signs on the exterior of the Premises as it may require to identify its business, subject to the reasonable approval of the Landlord. All signs shall be in conformity with the applicable municipal by-laws and the laws and regulations of any other governmental authority with jurisdiction. The Tenant shall be responsible for the costs of removal at the expiration of the Lease of all signs erected by it and for the repair of any damage caused to the Building by reason of the erection or removal of such signs.

(b) In the event that during the Term or any renewal thereof any change occurs to the Building or on the Lands which, in the Tenant's opinion, adversely affects the visibility to the public of the Tenant's signs or of the Premises, the Tenant may at its option either relocate at the expense of the Landlord such sign or signs, or the Premises respectively, to such part of the Building or Lands that will give visibility to the public similar to the visibility that they had prior to such change, or within six (6) months of the date on which such change is made, terminate this Lease on thirty (30) days' notice in writing to the Landlord.

NON-DISTURBANCE

14. The Landlord agrees to obtain from any mortgagees under any mortgage registered against the Landlord's interest in the Premises prior to registration of this Lease or Notices of this Lease, the agreement of such mortgagees consenting to this Lease and agreeing that the Tenant, so long as it is observing and performing the terms of this Lease shall enjoy undisturbed and quiet possession of the premises without interference from or through such mortgagees. The agreement and consent contemplated in this section shall be delivered by the Landlord to the Tenant within Sixty (60) days of execution of any mortgage.

SUBORDINATION

15. Save for the provisions of paragraph 11(a), section 14 and section 29, this Lease shall be subordinate to any mortgages or charges created by the Landlord on the lands and the Tenant shall promptly at the request of the Landlord execute such documents as may be required to postpone its rights to the holder of any such mortgage or charge. The obligations of the Tenant to do so subordinate this lease shall be conditional upon the delivery to the Tenant by the Landlord of any agreement given by the holder of such mortgage or charge and performing the terms of this Lease, the Tenant shall enjoy undisturbed and quiet possession of the Premises without interference from or through the holder of such mortgage or charge.

ASSIGNING OR SUBLETTING

16. (a) The Landlord shall not be entitled to assign this lease or its interest in the lands without the prior written consent of the Tenant, such consent not to be unreasonably withheld, save for any assignment to any mortgagee dealing at arms length.

(b) The Tenant covenants and agrees that it will not assign, sublet, transfer or part with possession of the Premises or any part thereof or any interest of the Tenant in this Lease without the consent of the Landlord in writing first had and obtained, provided that such consent may not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Tenant shall be entitled to assign this Lease to a Franchisee without the consent of the Landlord provided that such assignment or subletting shall not affect the Tenant's obligations hereunder, and in such event all covenants of the Tenant shall remain in full force and effect.

EXPROPRIATION

17. (a) If the whole or any part of the Premises shall be taken or expropriated during the Term of this Lease, the Landlord and the Tenant may exercise fully all the rights, remedies and claims for compensation which each may have under the applicable legislation, and this Lease shall not terminate nor Rent abate except to the extent, if any, determined by law.

(b) If, as a result of any partial expropriation of the Premises, it becomes necessary to reconstruct or alter so much of the premises as remain unexpropriated in order that the remaining portions hereof may be used and operated as a practicable and economic unit, the Landlord shall, at its own expense, perform all work necessary to reconstitute such remaining portions as a practicable and economic unit, but only to the extent the compensation is paid to it as a consequence of such expropriation.

(c) The Landlord and the Tenant shall inform each other fully of the claims for compensation made by each of them in the event of any expropriation, shall not claim compensation on any basis inconsistent with this lease, and shall afford reasonable co-operation to each other in the prosecution of any proper separate claim. 83

DEFAULT

18. (a) If any one or more of the following events (herein sometimes called "Events of Default") shall happen:

- (i) if default shall be made in the due and punctual payment of Rent or of the payment of any other sums required to be paid pursuant to this lease as the same shall become due and payable and such default has not been cured within ten (10) days after the delivery of a written demand therefor to the Tenant by the Landlord;
- (ii) if default shall be made by the Tenant in the performance of or compliance with any of the covenants, agreements, terms or conditions contained in this lease other than those referred to in the foregoing subparagraph (i) and such default shall continue for a period of thirty (30) days after written notice thereof from the Landlord to the Tenant (provided that if the Tenant proceeds with due diligence during such thirty (30) day period to cure such default and is unable by reason of the nature of the work involved to cure the same within the said thirty (30) days, its time to do so shall be extended for such additional period as shall be necessary to cure the same).

then, at the sole option of the Landlord, the Term hereby demised shall expire and terminate and all rights of the Tenant under this lease shall expire and terminate.

(b) In the event that during the Term any of the goods and chattels of the Tenant shall be at any time seized in execution or attachment by any creditor of the Tenant or the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or commit any act of bankruptcy or take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors or an order shall be made for the winding-up of the Tenant, then in any such case this lease shall, at the option of the Landlord, cease and determine and the Term shall immediately become forfeited and void and the then current month's Rent and the next ensuing three (3) months Rent shall immediately become due and payable and the Landlord may re-enter and take possession of the Premises as though the Tenant or the occupant or occupants of the Premises was or were holding over after the expiration of the Term without any right whatsoever.

(c) At any time or from time to time after any Event of Default the Landlord may re-enter and relet the Premises or any part thereof in the name of the Tenant or otherwise for such term or terms (which may be greater or less than remain of this lease) and on such conditions as the Landlord, in its reasonable discretion, may determine and may collect and receive the rent therefor as the agent of the Tenant. The Landlord may take possession of any chattels or other property on the Premises and sell the same at public or private sale with or without notice and apply the proceeds of such sale and any rent derived from reletting the Premises

upon account of the Rent hereby reserved and the Tenant shall remain liable to the Landlord for the deficiency, if any, arising therefrom. The Landlord shall in no way be responsible or liable for any failure to collect any rent due upon any such reletting.

(d) Notwithstanding anything contained in Section 30 of the Landlord and Tenant Act or in any other statute which may hereafter be passed to take the place of the said Act or the amendment of same, none of the goods and chattels of the Tenant at any time during the continuance of the Term hereby created located on the Premises shall be exempt from levy by distress for Rent in arrears by the Tenant as provided for by section or sections of the said Act or any amendment or amendments thereto.

(e) No failure by the Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this lease or in exercise any right or remedy consequent upon a breach thereof and no acceptance of partial Rent during the continuance of any such breach shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

(f) Each right and remedy of the Landlord provided for in this lease shall be cumulative and shall be in addition to every other right or remedy provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Landlord of any one or more of the rights or remedies provided for in this lease will not preclude the simultaneous or later exercise by the Landlord of any or all other rights or remedies provided for in this lease or now or hereafter existing at law or in equity or by statute or otherwise.

(g) Provided that in the case of removal by the Tenant of the goods and chattels of the Tenant from the Premises the Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Landlord and Tenant Act.

TENANT'S FIXTURES, FURNISHINGS AND EQUIPMENT

19. (a) In the event of the expiration or sooner termination of the Term, if so directed by the Landlord, the Tenant shall remove such of the improvements in the Premises installed by the Tenant without the Landlord's consent and the Tenant shall forthwith repair at its own expense any damage to the Premises caused by the installation or removal of such improvements. The Tenant shall be entitled to leave upon or to remove from the Premises all improvements which were placed upon the Premises with the consent of the Landlord.

(b) The Tenant shall be entitled to remove its fixtures at the date of expiration of the Term of this Lease or any renewal term or any sooner termination hereof, provided all Rent has been paid to such date and all obligations on the part of the Tenant have been observed, performed and kept.

(c) The Landlord acknowledges and agrees that all installations of machinery and equipment made by the Tenant in the Premises shall be considered to be Tenant's fixtures and may be removed by the Tenant as such in respect of the degree to which such machinery or equipment may have been affixed or installed in the Premises. The Tenant may, at its

option, leave on the Premises and all not be required to 83
remove any wiring, plumbing and ducting systems (including
venting, air-conditioning and heating systems) and any
partitions, floor covering or counters installed by it in the
Premises.

INVALIDITY OF PARTICULAR PROVISIONS

20. If any term or provision of this lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

IMPOSSIBILITY OF PERFORMANCE

21. It is understood and agreed that whenever and to the extent that the Landlord or the Tenant shall be unable to fulfil or shall be delayed or restricted in fulfilment of any obligation hereunder in respect of the supply or provision of any service or utility or the doing of any work or the making of any repairs by reason of being unable to obtain the material, goods, equipment service or labour required to enable it to fulfil such obligation or by reason of any statute, law or order-in-council or any regulation or order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller, board, governmental department or officer of other authority, or by controller, board, governmental department or officer of other authority, or by reason of not being able to obtain any permission or authority required thereby, or by reason of any other cause beyond its control whether of the foregoing or by reason of any other cause beyond its control whether of the foregoing character or not, (excluding financial inability) the Landlord or the Tenant shall be relieved from the fulfilment of such obligation and the Tenant or the Landlord, as the case may be, shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned.

INDEMNITY

22. (a) The Tenant shall indemnify the Landlord from any loss, cost, damage or expense for which the Landlord may become liable as a result of any breach by the Tenant of a covenant of this lease or as a result of any personal injury, death or property damage occurring because of the wilful act or negligence of the Tenant or those for whom it is in law responsible.

(b) The Landlord shall indemnify the Tenant from any loss, cost, damage or expense for which the Tenant may become liable as a result of any breach by the Landlord of a covenant of this lease or as a result of any personal injury, death or property damage occurring because of the wilful act or negligence of the Landlord or those for whom it is in law responsible.

NOTICE

23. Any notice or request herein provided for or given hereunder if given by the Landlord to the Tenant shall be sufficiently given if delivered or if mailed by prepaid registered post addressed to the Tenant at 671 Warden Avenue, Scarborough, Ontario, M1L 3T7 and any notice or request herein provided for or given hereunder if given by the Tenant

to the Landlord shall be sufficiently given if delivered or if mailed as aforesaid addressed to the Landlord at 48 St. Clair Avenue West, Suite 700, Toronto, Ontario M4V 2Z2. Any notice or request mailed as aforesaid shall be conclusively deemed to have been given on the day that is five (5) days following the day on which it was so mailed. If delivered, any such notice or request shall be conclusively deemed to have been given on the date of delivery. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the purpose of giving such notices or requests thereafter. In the event of a postal strike or slowdown, any notice or request must be delivered.

FORCE MAJEURE

P4. In the event that either party hereto shall be bona fide delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labour troubles, inability to procure materials, failure of power, Restrictive Governmental laws or Regulations, riots, insurrection, war or other reasons or a like nature not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this section shall not operate to excuse the Tenant from prompt payment of rent or any other payments required by the terms of this Lease.

REGISTRATION

P5. The Landlord agrees that it will at the request of the Tenant execute a notice of this Lease or application to register lease prepared by the Tenant for registration purposes against title to the Lands, and will obtain the signatures of all parties (other than the Tenant) required for registration of such notice or application.

EFFECT OF LEASE

P6. This lease and everything herein contained shall extend to and bind and may be taken advantage of by the respective successors and assigns of each of the parties hereto, subject to the grant of consent by the Landlord to any assignment or sub-lease. It is understood that in construing this lease to word "Tenant" and the personal pronoun "it" or "its" relating thereto and used therewith shall be read and construed as "Tenant" or "Tenants" and "his", "her", "it" and "their" respectively as the number and gender of the party or parties referred to in each case required and the number of the verb agreeing therewith shall be considered as agreeing with the word or pronoun so substituted. This lease shall be governed by and construed in accordance with the laws of the Province of Ontario.

ENTIRE AGREEMENT

P7. Save as provided for in the Offer to Lease it is understood and agreed that there are no covenants, representations and agreements, warranties or conditions in any way relating to the subject matter of this lease,

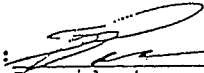
expressed or implied, collateral or otherwise, except those set forth in this Lease. The obligations of the Landlord and the Tenant under and pursuant to the Offer to Lease shall survive the execution of this Lease and each of the parties hereto covenants and agrees to comply with such obligations.

TIME OF ESSENCE

28. Time shall be of the essence hereof.

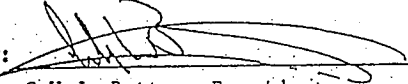
IN WITNESS WHEREOF this lease has been executed by the parties hereto.

STOUFFVILLE COTENANCY LTD.

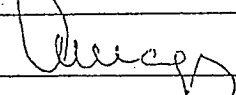
per: 

President

THE BECKER MILK COMPANY LIMITED

per: 

G.W.J. Pottow, President

per: 

A. Magi, Secretary-Treasurer

DESCRIPTION

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the Town of Whitchurch-Stouffville in the Regional Municipality of York, formerly in the Village of Stouffville in the County of York and being composed of all of Lot 24 and part of Lot 25 as shown on Registered Plan 455, described as follows;

PREMISING that the Southerly limit of Lots 24 and 25 has an astronomic bearing of North 73 degrees 03 minutes East and relating all bearings herein thereto;

COMMENCING at the Northeast corner of said Lot 25;

THENCE South 72 degrees 53 minutes West along the Northerly limits of said Lots 25 and 24 a distance of 209.71 feet to the Northwest corner of said Lot 24;

THENCE South 10 degrees 09 minutes East along the Westerly limit of said Lot 24 a distance of 129.53 feet to an angle in said westerly limit;

THENCE South 58 degrees 33 minutes East along the limit of said Lot 24 a distance of 66.41 feet to the Southerly limit of said Lot 24;

THENCE North 73 degrees 03 minutes East along the Southerly limits of said Lots 24 and 25 a distance of 69.75 feet to a point;

THENCE North 16 degrees 57 minutes West 1.00 feet to a point;

THENCE North 73 degrees 03 minutes East 10.00 feet to a point;

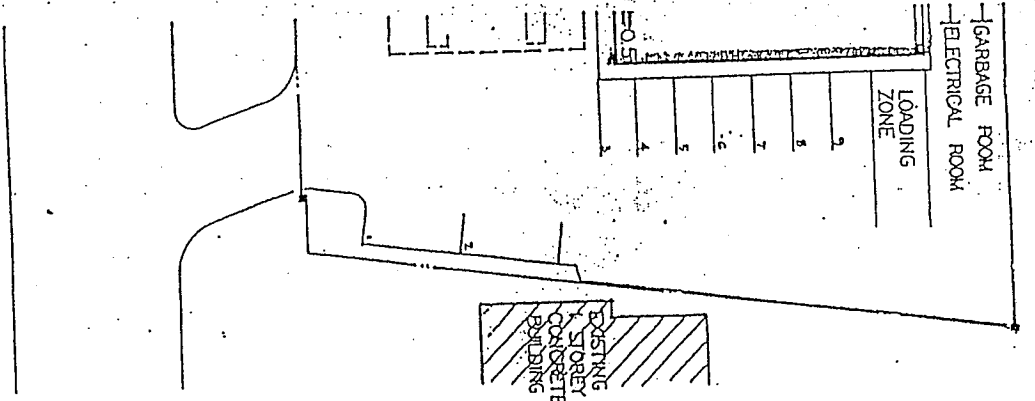
THENCE South 16 degrees 57 minutes East 1.00 feet to a point in the South limit of said Lot 25;

THENCE North 73 degrees 03 minutes East along the Southerly limit of said Lot 25 a distance of 63.00 feet to a point;

THENCE North 16 degrees 57 minutes West 1.00 feet to a point;

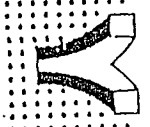
THENCE North 73 degrees 03 minutes East 14.13 feet to a point in the Easterly limit of said Lot 25;

THENCE Northerly along said Easterly limit 179.53 feet to the point of commencement.



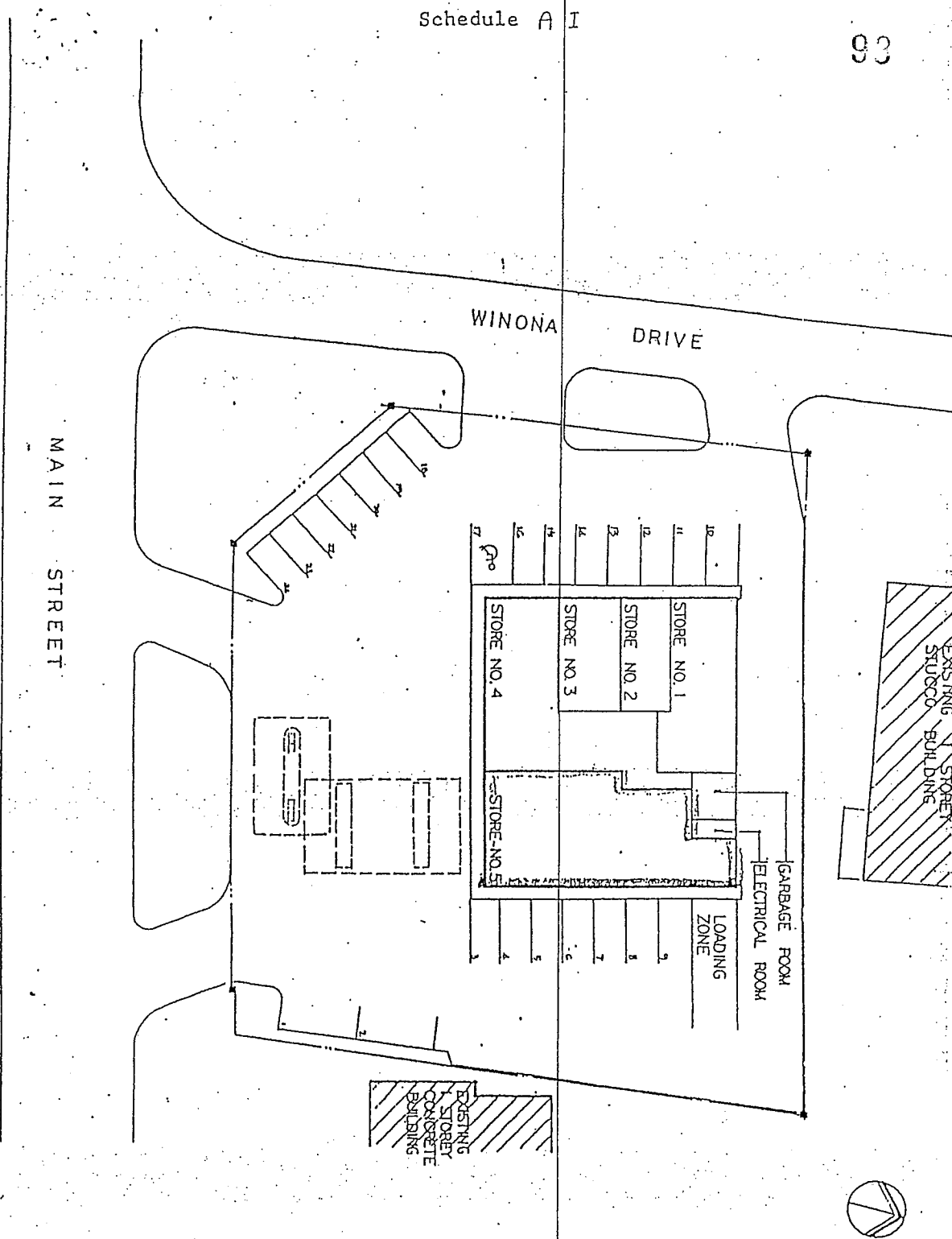
**STOUFFVILLE
CORNER PLAZA**

345 MAIN STREET WEST
STOUFFVILLE ONTARIO
JUNE 21, 1989

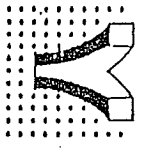


**DOUGLAS W.
YARKER**
Architect Inc.

73 LAIRD DRIVE, SUITE 205
TORONTO, ONTARIO M4G 3T4 (416) 422-1600



STOUFFVILLE
 CORNER PLAZA
 345 MAIN STREET WEST
 STOUFFVILLE ONTARIO
 JUNE 21, 1989



DOUGLAS W.
 YARKER
 Architect Inc.

73 LAIRD DRIVE, SUITE 205
 TORONTO, ONTARIO M4G 3T4 (416) 422-9000

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SCHEDULE "B"
"LANDLORD'S WORK"

LESSOR SHALL SUPPLY AND INSTALL THE FOLLOWING, ALL IN ACCORDANCE WITH MUNICIPAL REGULATIONS.

STRUCTURE - (Becker's will supply final drawings)

- 1. Finished fire rated walls to the underside of the roof deck, ready for painting, including washroom.
- 2. Aluminum extruded store front insuline 500/40 finish aluminum frame with thermo plate glass 3'0" x 7'0" door(s) with check chain(s), or equivalent.
- 3. Brick: Canada Brick, Harvest CSA, 1-82-1977, Type I.D. or equal.
- 4. Mansard: Alcan
Aluminum
Vertical Siding
Colour #6511
- 5. Fire door(s) complete with closer(s) and panic bar(s).
- 6. Fire rated T-bar suspended ceiling 10'0" in height.
- 7. Paint two (2) coats of first quality semi-gloss paint.
- 8. Floor tiles (a) V.A.T. Flintkote #3316 or equivalent.
(b) 4" Flextile, 1/8 Rubber Base, Dark Brown, Installation confirm with Beckers, Construction Supervisor.

ELECTRICAL

- 1. a) 200 AMP. 3 PH. electrical service with separate elect. meter and 42 circuit panel with breakers in storage area. Install 100 AMP. sub-panel at checkout area.
- 2. b) Option 400 AMP. single phase service, meter box disconnect, splitter box and breakers.
- 3. a) Interior store lighting: 8' 4 tube surface mounted fluorescent fixtures, warm white tubes.
- 4. b) All junction boxes, receptacles, washroom switch plus all branch wiring between these items and breaker switches.
- 5. Emergency lighting and exit lighting mounted on ceiling.
- 6. Underground cable and concrete bases for pylon sign where permitted by municipal regulations. Sign poles, boxes, frames and plastic inserts will be supplied by Becker's.
- 7. Telephone conduit to checkout area.

PLUMBING

- 1. 3/4" main water service with separate meter.
- 2. One 2 piece ventilated washroom with medicine cabinet, mirror, soap dispenser, paper hanger, coat hook, ceiling fan, ceiling light and switch.
- 3. One 20 gallon hot water tank installed in washroom on steel bracket above ceiling.
- 4. Floor drains for walk-in cooler and fast food area at checkout.
- 5. Hot and cold water lines for checkout sinks and fast food area. Sink and faucets by Becker's.
- 6. One double compartment sanitary sink with plumbing and faucets.
- 7. Install 4" P.V.C. with 90° elbows underslab 8" A.F.F. from storage room to fast food area. (For syrup lines)
- 8. 40" x 48" floor mat grille(s) with catch basin at entrance door(s).

HEATING AND AIR CONDITIONING

- 0. Two heating, ventilating, air conditioning gas fired roof top units - 5 tons each in capacity.
- 1. Ducts, registers, diffusers and cold air return to have separate ducts.
- 2. 8" high roof opening with 8" sleeve, plans supplied by Lessee, work to be provided by Lessor.
- 3. Ladder to be supplied and installed by Lessor and contained in garbage room.

PARKING LOT

- 4. The Landlord shall be responsible for providing a paved area at the rear and or side of the building, plus a paved customer parking lot at front, all as per the attached Schedule "A". The Tenant shall not be required to open the store or pay rental or any other charges until such times as the driveways and parking areas are completely paved.

THIS INDENTURE made the 1st day of April, 2005

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT:

BETWEEN:

1008522 ONTARIO LIMITED.

(hereinafter called the Lessor)

OF THE FIRST PART

-and-

~~BARRY ROSEN~~ DUFF ERIKSSON OPERATING
AS TARGET TAX AND ESTATE ENTERPRISES
(hereinafter called the Lessee) (TO BE INCORPORATED)

OF THE SECOND PART

DEMISED PREMISES

1. WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be respectively paid, observed and performed, the Lessor hath demised and leased and by these presents doth demise and lease unto the Lessee certain premises comprising approximately 2001 square feet, (hereinafter called the "demised premises" or the "premises"), being 5946 Main Street in the Town of Stouffville shown outlined in red on the floor plan attached hereto as Schedule "A", which premises are located within the boundaries of certain lands, described in Schedule "B" attached hereto

The Lessee shall have the right in common with other tenants in the Building and its and their customers, invitees, licensees and all other parties having business with

the Lessee or any other tenants, to make use of the common areas and facilities from time to time forming part of the Building.

TERM

2. TO HAVE AND TO HOLD the demised premises for and during the term of five (5) years commencing April 1, 2005.

COMMENCEMENT AND COMPLETION

3. COMMENCING on the 1st day of April 2005 and from thenceforth next ensuing and fully to be completed and ended on the 31st day of March 2010. Provided that the Lessee has performed all of the terms and conditions of the Lease and has never been in default, the Lessee shall have the right to renew the Lease for one five year term, under the same terms and conditions except in respect of the rent. The renewal will be at fair market value but not less than the rent for the last year of the term. If there is a dispute as to what the fair market value of the rent will be, this matter will be decided pursuant to the *Arbitration Act of Ontario*, which costs of arbitration will be borne equally by both the Lessor and the Lessee. The Lessee must give notice of his intention to renew not more than 12 months and not less than 6 months prior to the expiration of the lease for the option to renew to be effective.

RENT

4. YIELDING AND PAYING therefor unto the Lessor, without deduction, set-off or abatement whatsoever a net minimum rent (at such place or places as the Lessor shall designate from time to time in writing), as follows:

For year one (1) ending March 31, 2006, \$ 42,020 per annum plus G.S.T. being \$3,501.00 per month plus G.S.T.

For years two (2) through five (5) ending March 31, 2010 \$45,022 per annum plus G.S.T. being \$3752.00 per month Plus G.S.T.

Such annual minimum rent shall be payable in equal monthly instalments in advance on the first day of each calendar month during the term hereof.

It is acknowledged that the lessee has paid as a deposit the sum of \$9,761.71 towards the first and last months rent. This deposit will not accrue any interest to the lessee.

The Lessee shall deliver to the Lessor at the beginning of each rental year throughout the term, a series of monthly post-dated cheques for such rental year for the aggregate of the monthly payments of minimum rent in advance in accordance with the terms of this Lease.

USE OF DEMISED PREMISES

5. THE DEMISED PREMISES are leased to the Lessee for the purpose only of operating, conducting and carrying on in and from the whole of the demised premises professional office services.

THE LESSEE COVENANTS WITH THE LESSOR:

PAY RENT

6. To pay rent.

UTILITIES

7. (a) Utilities All utilities not separately metered but utilized by the Lessee are to be paid by the Lessee by way of additional rent . If the utilities are separately metered the lessee will make all arrangements to have the billing of the utilities in his name.

REAL PROPERTY TAXES

- 8. (a) (i) The Lessee covenants to pay the real property taxes (including local improvement rates, levies, rates, duties and assessments) for the demised premises.
- (ii) If the demised premises are not separately assessed for real property taxes, and a separate bill relating thereto is not issued, then the Lessee shall pay to the Lessor as additional rent the property taxes.
- (iii) Such real property taxes payable by the Lessee shall be deemed to be part

of the rent reserved hereunder and all the remedies available to the Lessor relating to rent both hereunder and at law shall apply mutatis mutandis thereto and shall be paid by the Lessee within thirty (30) days after receipt of notice from the Lessor with respect thereto.

MAINTENANCE

- 9. (a) The lessee shall pay all the costs and expenses incurred by the landlord in maintaining, operating, cleaning, insuring and repairing of the property and without limiting the generality of the foregoing, such costs shall include the costs of;
 - I. Snow, garbage and trash removal
 - II. Landscaping and planters
 - III. Heating, ventilation and air conditioning and providing hot and cold water and other utilities and services operating in the common area of the property and maintaining and repairing the machinery and equipment for such utilities and services.
 - IV. Insuring the property and such other insurance as the landlord will effect against public liability, property damage and loss of rental income and other casualties and risks.
 - V. The Lessee shall be responsible for maintaining the heating, ventilation and air conditioning units for his own unit including but not limited to repairs, cleaning and replacement of the units if necessary.

LESSEE'S ADDITIONAL RENT

10. The amounts payable by the Lessee under sections 8 and 9 hereof may be estimated by the Lessor for a period no greater than 12 months and the Lessee shall pay as additional rent such estimated amount in equal monthly instalments. For the first year of the lease this additional rent is \$12,006 per annum plus G.S.T being \$1000.50 plus G.S.T. per month (\$6.00 per square foot per year). If these costs increase in subsequent years then the additional rent will increase proportionally based on the additional rent for the first year being \$6.00 per square foot per annum.

REMEDIES SEVERABLE

11. PROVIDED THAT no reference to nor exercise of any specific right or remedy by Lessor shall preclude Lessor from or prejudice Lessor in exercising any other right hereunder or pursuing any other remedy or maintaining any action to which it may otherwise be entitled either at law or in equity. Lessor's failure to insist upon a strict performance of any covenant of this lease agreement or to exercise any option or right herein contained shall not be a waiver or relinquishment for the future of such covenant, right or option, but the same shall remain in full force and effect.

SURRENDER

12. THAT THE LESSEE will, at the expiration or sooner termination of the said term or any renewals thereof, peaceably surrender and yield up to the Lessor the said premises hereby demised, together with all the buildings and structures thereon, in good and substantial repair and condition, reasonable wear and tear excepted.

LIENS

13. PROVIDED THAT THE LESSEE covenants and agrees not to suffer or permit any construction liens or other liens to be placed against the Building or the premises under this lease, and in case of any such lien attaching to immediately pay off and remove the same. Lessee has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Lessee, operation of law or otherwise, to attach to or be placed upon Lessor's title or interest in the premises, and any and all liens and encumbrances created by Lessee shall attach to Lessee's interest only.

COSTS

14. PROVIDED THAT the Lessee shall pay all bailiff costs, collection agency fees and solicitors' fees and expenses of Lessor incurred in enforcing any of the obligations of Lessee under this lease, said fees and expenses shall be collectible in the same manner as rent.

INSPECT AND REPAIR

15. THAT THE LESSOR and its authorized agents shall have the right to inspect the said premises at any time; and shall have the right to make repairs to the said

premises, or to any adjoining premises, or any other part of the Building; PROVIDED HOWEVER that insofar as it shall be reasonable to do so such repairs shall be effected at such times and in such manner as will not unreasonably interfere with the use by the Lessee's business thereon.

INSTALLATION OF SERVICES

16. THE LESSOR and any person authorized by the Lessor shall have the right, upon giving the Lessee reasonable prior notice, to install, maintain or repair pipes, wires, ducts, or other installations in, under, or through the demised premises for or in connection with the supply of any services to the demised premises or any other premises within the Building, such services to include, without limiting the generality of the foregoing, gas, electricity, water, sanitation, heat, ventilation and exhaust systems, air conditioning and security systems and the Lessee hereby agrees to supply to the Lessor such area within the demised premises as is, in the sole discretion of the Lessor acting reasonably necessary to provide any such services. Provided however, that in the exercise of the rights conferred herein, the Lessor shall use its best efforts not to materially interfere with the Lessee's business operation and provided that in no event shall the exercise by the Lessor of the rights contained herein entitle the Lessee to any abatement whatsoever of the rents or financial obligations reserved hereunder.

REPAIR AND MAINTENANCE

17. THE LESSOR shall be responsible during the entire term of the lease for structural defects and electrical repairs including repairs to the roof, within a reasonable period of time, provided that such defects and repairs, if any, have not been caused by the tenant.

THAT THE LESSEE SHALL, at the commencement, and throughout the term of this Lease, and any renewal thereof, at the expense of the Lessee, maintain all necessary lighting fixtures and first class trade fixtures, furniture, and its accessories in the demised premises, adequate and appropriate to the business of the Lessee subject to normal wear and tear.

ENVIRONMENTAL OVERLOADING

18. THAT THE LESSEE will not overload, or cause to be overloaded, all or any part of the floor of the demised premises.

ENVIRONMENTAL CLAUSE

19. It is acknowledged that there is soil contamination pertaining to the property and that there is remediation work that needs to be completed. During such remediation work there will be no disruption to the parking facilities or spaces and that this remediation shall not in any way disrupt the business of the lessee

PAINTING AND DECORATING

20. THAT THE LESSEE will keep well painted and decorated at all times the interior of the demised premises in accordance with the reasonable requests of the Lessor.

ASHES REFUSE

21. THAT THE LESSEE shall not allow any ashes, refuse, garbage or other loose or objectionable materials to accumulate on or about the said demised premises and will at all times keep the said premises in a clean and wholesome condition, and shall be responsible for the removal of all garbage, or loose or objectionable materials.

INJURIES, DAMAGES

22. THAT in the absence of negligence on the part of the Lessor or its servants and employees, the Lessee shall indemnify and save harmless the Lessor of and from all manner of actions, causes of actions, suits, debts, loss, costs, dues, covenants, contracts, claims and demands of any and every nature whatsoever arising, or which may arise in respect of any injury to any person, or for the loss of, or damage to the Lessee's business, or to any property belonging to the Lessee, or to employees, invitees or licensees of the Lessee while such person or property is in or about the premises or the Building including (without limiting the foregoing) any loss of or damage to any such property caused by theft, breakage, or by steam, water, rain or snow which may leak into, issue or flow from any part of the Building, or any adjacent or neighboring lands or premises; or from the water, steam or drainage pipes or plumbing works of the same, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring;

LIABILITY INSURANCE

23. a) THAT THE LESSEE during the whole of the said term, and any

renewal thereof, will continue to maintain the existing insurance, for the amount of Two Million (\$2,000,000) Dollars, in the names of the Lessee and the Lessor, in respect of the demised premises, against legal liability for bodily injury or death, or damage to property or public liability, and will make the said policies of insurance payable to the Lessor and the Lessee as their respective interests may appear, and will protect, indemnify and keep indemnified the Lessor of and from all loss, costs, charges and expenses occasioned or arising from any and every claim made from such injury damage. Certified copies of all such policies shall be supplied by the Lessee to the Lessor upon demand and such policies shall not be cancellable unless 30 days prior written notice has first been given to Lessor.

- ii) The Lessee shall carry business interruption insurance to the extent necessary to allow the Lessee to meet his ongoing obligations to the Landlord. The Lessee shall also insure for any damage to his portion of the premises which would include replacement cost of all fixtures, equipment, stock in trade and improvements.

COMPLIANCE WITH LAWS

24. THAT THE LESSEE will carry on and conduct all business from time to time carried on by the Lessee upon the demised premises in such manner as to comply with, and shall not do anything upon the demised premises in contravention of, any and all statutes, by-laws, rules and regulations of any Dominion, Provincial or Municipal government or any other competent authority from time to time being in force. The Lessee may contest the validity of any such statutes, by-laws, rules and regulations, but shall indemnify and hold the Lessor harmless against the consequence of any violation by the Lessee.

THE LESSOR COVENANTS WITH THE LESSEE:

QUIET ENJOYMENT

25. FOR quiet enjoyment.

IT IS MUTUALLY AGREED BETWEEN THE PARTIES HERETO RESPECTIVELY:

ALTERATIONS OR IMPROVEMENTS BY LESSOR AND LESSEE

26. a) THE LESSOR SHALL have the right to make any changes and improvements, or alterations, as the Lessor may from time to time decide, in respect of the common areas and facilities of the Building, or any part thereof, and including any Improvement thereto (except the demised premises) including the right to change the size, shape or location thereof.
- i) before undertaking any alteration or addition the Lessee shall submit to the Lessor a plan showing the proposed alteration or addition and the Lessor shall not unreasonably withhold its approval; and
 - ii) the Lessor shall be responsible for and pay the cost of any alterations, addition, installations or improvement that any governing authority, municipal, provincial or otherwise, may require to be made in, on or to the premises.

DESTRUCTION OR DAMAGE

27. (a) PROVIDED and it is hereby agreed that if during the term hereby demised, the demised premises or other part of the Building shall be destroyed or damaged by fire, lightning or tempest or other casualty against which the Lessor is insured, or as a result of structural defects, or for any other cause whatsoever, other than the wilful or negligent default or action of the Lessee or by or as a result of war, acts of God, or the Queen's enemies, civil commotion, the elements, riot, explosion or insurrection then and in every such event, if as a result of such destruction or damage, the demised premises are rendered wholly unfit for occupancy and such destruction or damage is incapable of being repaired with reasonable diligence within one hundred and twenty (120) days of the happening of such destruction or damage, then the term hereby granted shall cease and be at an end to all intents and purposes from the date of such destruction or damage and the Lessee shall immediately surrender the same and yield up possession of the demised premises to the Lessor and the rent and all liabilities of the Lessee towards taxes shall cease effective the date of destruction and a proportionate part of the goodwill be returned to the Lessee.

(b) IF DURING the term hereby demised the demised premises or other part of the Building shall be destroyed or damaged by fire, lightning, or tempest or other casualty against which the Lessor is insured, then and in every such event, the following provisions

shall have effect:

(i) If such destruction or damage shall be capable with reasonable diligence of being repaired within one hundred and twenty (120) days from the happening of such destruction or damage, but the destruction or damage is such as wholly to prevent use of the demised premises, then the rent hereby reserved shall not run or accrue after such destruction or damage or while the process of repair is going on and the Lessor shall repair the same with reasonable speed and the rent shall recommence immediately after such repairs shall have been completed.

(ii) If such destruction or damage can be repaired within one hundred and twenty (120) days as aforesaid and if the destruction or damage is such that part of the demised premises are capable of being used for the purposes of the Lessee, then until such destruction or damage shall have been repaired, the rent shall abate in part only to the extent to which the demised premises are so rendered unfit for use or occupancy by the Lessee, which abatement may not be directly proportioned to the extent of the demised premises damaged but shall be proportioned to the occupancy and use possible, and the Lessor shall repair the same with reasonable speed.

(c) IF DAMAGE or destruction of or to the demised premises or the Building occurs and is capable of being repaired with reasonable diligence within one hundred and twenty (120) days from the happening of such destruction or damage, but such damage or destruction is not of a kind which the Lessor is required to repair under the provisions of subparagraph (b) above, then the Lessor shall have the right to be exercised by notice in writing to the Lessee, given within thirty (30) days after the occurrence of such damage or destruction, to elect to either terminate this Lease or to repair such damage or destruction; and in the event the Lessor shall elect to repair such damage or destruction, then for the purposes of subparagraph (b) above such damage or destruction shall be deemed to have resulted from a casualty against which the Lessor is insured.

(d) PROVIDED that even if the premises are repairable within one hundred and twenty (120) days but the unexpired portion of the term of this Lease including all renewals is less than six (6) months at the time of such damage or destruction or partial destruction then the Lessor shall have the option (to be exercised within thirty (30) days of the date of such damage or destruction or partial destruction) of declaring this Lease null and void from the date of such damage or destruction or partial destruction.

NOTWITHSTANDING ANYTHING hereinbefore contained, the Lessee shall be responsible for and shall pay for all or any damage to the Lessor's property or the

Building, including the demised premises, which is caused as a result of any wilful or negligent act or omission of the Lessee or by anyone for whom the Lessee is in law responsible, and the Lessee hereby indemnifies the Lessor for all or any costs for the repairs of such damage.

LESSOR MAY PERFORM COVENANTS

28. IF THE LESSEE shall fail to perform any of the covenants or obligations of the Lessee, under or in respect of this Lease, the Lessor may, from time to time, in its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose without limiting the foregoing, the Lessor may enter upon the demised premises and do such things upon or in respect of the demised premises, or any part thereof, as the Lessor may consider requisite or necessary.

RIGHT OF RE-ENTRY

29. THAT IF and whenever the rents hereby reserved, or any part thereof, shall be in arrears or unpaid for five (5) days after any of the days on which the same ought to have been paid, although no formal or other demand shall have been made therefor; or in case there be default or breach or non-performance of any of the other covenants or agreements in this Lease contained on the part of the Lessee, and such default shall continue for a period of fifteen (15) days after written notice thereof by the Lessor, except in the case of a default which cannot with due diligence be cured in a period of fifteen (15) days unless the Lessee fails to proceed with all due diligence to cure the same, this Lease may, at the option of the Lessor, be terminated, and the Lessor shall have the right to enter into and take immediate possession of the demised premises, or any part thereof, in the name of the whole and enjoy as of the Lessor's former estate, anything herein contained to the contrary notwithstanding; and no acceptance of rent subsequent to any default or breach, (other than non-payment of rent), and no condoning, excusing, or overlooking by the Lessor on previous occasions of any breach or default similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, or in any way to defeat or affect the right of the Lessor hereunder.

SEIZURES, EXECUTIONS

30. IF THE TERM hereby granted and any renewal thereof shall at any time be seized or taken in execution by any creditor of the Lessee, or if the Lessee shall file any petition in voluntary under any provision of any now existing or future bankruptcy petition against it under any such law, or (without limiting the generality of the foregoing) file any petition or consent seeking relief or assistance in seeking relief for the Lessee in a

proceeding under any of the provisions of the Bankruptcy Act, as it now exists or as it may be hereafter amended, or pursuant to any other statute of similar character applicable to the Lessee, now or hereafter in effect, or admission of the material allegations of a petition filed against it in any such proceeding, or the taking of action by the Lessee, or its directors, or a majority of stockholders looking to the dissolution or liquidation of the Lessee, or the making by the Lessee of any assignment for the benefit of creditors or the admitting in writing by the Lessee of its inability to pay its debts generally as they become due, or the appointment of a Receiver or Liquidator or any Trustee of it or all or any substantial part of its assets; or in case the demised premises shall become vacant for a period of ten (10) days, the then current month's rent for the three (3) months next ensuing after the then current month shall immediately become due and payable, at the sole option of the Lessor and this Lease shall immediately become terminated.

RE-LETTING

31. If the Lessor elects to re-enter, as herein provided, or if it takes possession pursuant to legal proceedings or pursuant to any such notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this lease, make such alterations and repairs as may be necessary, in order to relet the premises, or any part thereof for such term or terms (which may be for a term or terms extending beyond the term of this Lease) and at such rentals and upon such other terms and conditions as the Lessor in its sole discretion may deem advisable; upon each such reletting all rentals received by the Lessor from such reletting shall be applied, first, to the payment of any indebtedness other than rent due hereunder from the Lessee to the Lessor; second, to the payment of any costs and expenses of such reletting, including brokerage fees and solicitor's fees and of the costs of such alterations and repairs; third, to the payment of all rentals due and unpaid hereunder; and the residue, if any, shall be held by the Lessor and applied in payment of future rent as the same may become due and payable hereunder. If such rentals received from such reletting during any month shall be less than that to be paid during the month by the Lessee hereunder, the Lessee shall pay any such deficiency to the Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the premises by the Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to the Lessee. Notwithstanding any such reletting without termination, the Lessor may at any time thereafter elect to terminate this Lease for such previous breach. Should the Lessor at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from the Lessee all damages it has incurred or may incur by reason of such breach.

SUBLETTING

32. PROVIDED that the Lessee shall not assign this lease, or allow it to be assigned, in whole or in part, by operation of law or otherwise, or mortgage or pledge the same, or sublet the premises or part thereof without the prior written consent of the Lessor, which consent may not be arbitrarily withheld, in no event shall any such assignment or sublease ever release the Lessee from any obligation or liability hereunder. No assignee or sublessee of the premises or any portion thereof may assign or sublet the premises or any portion thereof.

If the Lessee desires to assign the Lease or sublet the whole of the demised premises, it shall notify the Lessor in writing (the "Notice") at least thirty (30) days in advance of the date (the "Assignment Date") on which the Lessee desires to make such assignment or sublease, either directly or through any broker. When the Lessee has obtained an assignee or sublessee, the Lessee shall provide the Lessor with a copy of the proposed assignment or sublease. The Lessor shall have until 5 o'clock p.m. on the later of (i) the fifth day following the Lessor's receipt of the Lessee's proposed assignment or sublease, and (ii) the 20th day following the Lessor's receipt of the Notice, to elect to exercise its option to:

- (a) Consent to the proposed assignment or sublease, subject to the agreement of the assignee or sublessee to comply with all provisions set out in this Lease or any applicable renewal thereof; or
- (c) Reasonably refuse its consent to the proposed assignment or sublease but allow the Lessee to continue in the search for an assignee or sublessee that may be acceptable to the Lessor, which option shall be deemed to be elected unless the Lessor gives the Lessee written notice providing otherwise.

OVERHOLDING

33. THAT IF THE LESSEE continues to occupy the demised premises with the consent of the Lessor after the expiration of the term, or any renewal thereof, without any further written agreement, the said Lessee shall be a monthly tenant, at a monthly rental equal to the agreed monthly minimum rental hereinbefore contained in this Lease plus 10 per cent, and upon the same terms and conditions as herein set out.

LESSOR DELAYS IN FULFILLING

34. IT IS AGREED BY and between the Lessor and the Lessee, that whenever, and to the extent that the Lessor is unable to fulfil, or shall be delayed or restricted in fulfilment of any obligation under this Lease, including the supply or provision of any service or utility or for the doing of any work, or the making of any repairs by reason of being unable to obtain the materials, goods, equipment, service, utility or labour required to enable the Lessor to fulfil such obligations, or by reason or any statute, law or order-in-council, or any regulation or order passed, or made pursuant thereto, or by reason or an order or direction of any administration, controller or board, or government department, the Lessor shall be relieved from the fulfilment of such obligation during the period of such delay, and the Lessee is not to be entitled to any compensation for any inconvenience, nuisance or discomfort thereby occasioned and the Lessor covenants that it will, when the cause of the delay is removed, proceed to complete any necessary work with all diligence to completion.

NO AGENCY OR PARTNERSHIP

35. NOTHING CONTAINED HEREIN shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture between the parties hereto.

ACKNOWLEDGEMENTS

36. THE LESSOR AND THE LESSEE at any time and from time to time, upon not less than ten (10) days' prior notice to the other, shall execute, acknowledge and deliver to the other, or to whomsoever the other may direct, a statement in writing stating that this Lease is unmodified and in full force and effect (or if there has been modification, that the same is in full force and effect as modified) and the dates to which rents and other monies payable under this Lease have been paid, and stating whether or not, to the best knowledge of the signatory of such certificate, the Lessor or the Lessee, as the case may be, is in default of any covenant, agreement or condition contained in this Lease, and if so specifying each such default of which the signatory may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by an mortgagee, prospective purchaser or assignee of the Lessor's or Lessee's respective interests in this Lease or in the Building.

TAB D

JOHN PAUL EVANS, B.A., LL.B.
BARRISTER AND SOLICITOR
1420 BURNHAMTHORPE ROAD EAST
SUITE 405
MISSISSAUGA, ONTARIO, L4X 2Z9

Telephone: 905-624-5777
Fax: 905-624-8009
Email: john@jpevanlaw.ca

THIS IS EXHIBIT D ATTACHED

TO THE AFFIDAVIT OF

Velayan Pandya

SWORN November 16, 2005

[Signature]
A COMMISSIONER

M. JOANNE MacMILLAN

October 11, 2005

DELIVERED BY FAX NO: 1-905-642-6423

York Region Realty Inc.
6072 Main Street
Stouffville, Ontario
L4A 1B8

Attention: Ms. Courtney Wallis Simpson

Dear Ms. Wallis Simpson

Re: Sunoco/Mac's Milk Plaza
5946 Main Street, Stouffville

COPY

I represent the proposed purchaser in the above referenced transaction. My client has recently delivered a copy of the Agreement of Purchase and Sale and some of the supporting documents that were provided to the purchaser as outlined in paragraph 2 of the agreement. Firstly, I wish to advise that I will require some amendments to the agreement of purchase and sale. Particulars of these amendments will be delivered to you in due course.

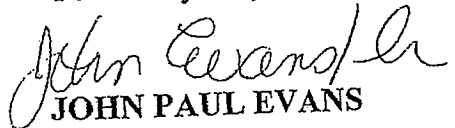
With respect to the documents that were to be delivered to my client within 3 days after signing the agreement by the vendor, I note that some of the documents to date, have not been delivered. The missing material is as follows:

1. Copy of the vendors Phase I and II Environmental Reports. With respect to these reports, I am particularly concerned that they have not been provided in light of a clause inserted into a commercial lease between the landlord and Duff Erlfudson dated April 1, 2005. The clause of concern is the environmental clause #19 on page 7 where the landlord has acknowledged that the soil is contaminated on the property. Prior to proceeding with the agreement, I will require these environmental reports forthwith.

2. The copy of the 2003 and 2004 operating budget statements of recoverable expenses has not been provided. My concern relating to these "financial statements" is that the income generated by the plaza as outlined in the lease that have been provided, does not match up to the revenue reports delivered to my client. The income as outlined in the leases appears to be approximately \$35,000.00 less than what was reported to my client. Furthermore, the square footage of the occupied premises as outlined in the lease is less than the size represented by my client. Obviously this has an adverse impact on revenues for T.M.I. which is calculated at \$6.00 per square foot. Lastly, the tenants obligation to pay T.M.I. other than in the restaurant lease, is not clear. For example, there is no mention of additional rents in the cadet cleaners lease. Frankly, in my view, the "Lease Agreements" that you have delivered are badly drafted. For example, most of the options to renew clauses found in the leases are drafted in such a manner that the options never expire.
3. The vendor is to deliver an existing plan of survey. What has been provided appears to be a copy of the Reference Plan registered on title. I will require an original document so I may determine that it is a proper survey.
4. My client is under the impression that there may be other amendments to the lease agreements which have not been provided and may explain the income shortfall. If so, I will require these amendments as well.
5. With respect to the consents and authorizations, I will submit these documents for the vendor's execution when the transaction becomes firm.

I note that the transaction is conditional on the part of the purchaser for 45 days after the delivery of the Phase II Environmental Report. Furthermore, the agreement also appears to be conditional on the purchaser being approved by the existing first mortgagee. In this regard, my concern relates to the fact that the agreement does not clearly specify that the purchaser is to assume the first mortgage. Furthermore, no contact numbers are provided for the first mortgagee nor has a copy of the mortgage been delivered. I will require this information forthwith. Unless the documents to be provided by the vendor and the additional documents I require are provided shortly, we will be unable to close this transaction on November 30,2005. May I please have your prompt reply to these concerns as outlined herein.

Yours very truly,


JOHN PAUL EVANS
 JPE:ln

JOHN PAUL EVANS, B.A., LL.B.
BARRISTER AND SOLICITOR
1420 BURNHAMTHORPE ROAD EAST
SUITE 405
MISSISSAUGA, ONTARIO, L4X 2Z9

Telephone: 905-624-5777
Fax: 905-624-8009
Email: john@jpevanslaw.ca

October 18, 2005

DELIVERED BY FAX NO: 1-905-642-6423

York Region Realty Inc.
6072 Main Street
Stouffville, Ontario
L4A 1B8

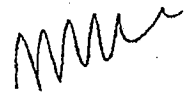
Attention: Ms. Courtney Wallis Simpson

Dear Ms. Wallis Simpson

Re: Sunoco/Mac's Milk Plaza
5946 Main Street, Stouffville

Further to my letter delivered to you by fax dated October 11, 2005, I note that I have not been extended the courtesy of a reply. I am instructed to advise that unless I am in receipt of all the requisite documentation as outlined in my letter of October 11, 2005 by Friday, October 21, 2005, my client will consider the Agreement of Purchase and Sale terminated and will require the return of the \$200,000.00 deposit.

Yours very truly,



JOHN PAUL EVANS
JPE:ln

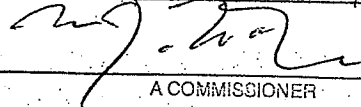
TAB E

THIS IS EXHIBIT E ATTACHED

Udayan Pandya
 4822 Derrydown Drive
 Mississauga, Ontario L5M 7J7
 Phone: (905)569-7442 (R), (416)726-3462 (Cell)
Udayan.pandya@siemens.com

TO THE AFFIDAVIT OF

Udayan Pandya
 SWORN November 16, 2005


 A COMMISSIONER

November 3, 2005

Total Pages: 05

M. JOANNE MacMILLAN

To,
 Insurance Administrator
 Real Estate Council of Ontario
 3250 Bloor Street West
 East Tower, Suite 600
 Toronto ON M8X 2X9
 Fax# 416 207 4820

Subject: Notice of Claim for Deposit of \$200,000.00 – York Region Realty Inc / Courtney Wallis Simpson

Original Copy of all documents are send via courier today dated 4th November 2005

Respected Sir/Madam,

Kindly find here the Notice of Claim for the Deposit of \$200,000.00. This deposit was given to the Real Estate Broker Courtney Wallis Simpson in the form of TD Canada trust Cheque, with a total amount of \$200,000.00. (TD Canada Trust Cheque #202 and #203, each of \$100,000.00) dated 11th September, 2005 payable to York Region Realty Inc In Trust..

The deposit cheque of total \$200,000.00 was given to Real Estate Broker Courtney Wallis Simpson against a signed Purchase and Sale Agreement for a Sunoco Retail Plaza located at 5946 Main Street, Stouffville, Ontario.

The Purchase and Sale Agreement is signed by undersigned Mr. Udayan Pandya and Mr. Mukesh Morar as a purchaser in the witness of Real Estate Broker Courtney Wallis Simpson.

The owner of the Sunoco Retail Plaza located at 5946 Main Street, Stouffville, Ontario is Mr. Seng Seo who is the President of 1008522 Ontario Limited. The Purchase and Sale Agreement is signed and intialized by the Mr. Seng Seo however, I cannot confirm whether this is a true or a forged signature.

Mr. Mukesh Morar who is the cosigner as a Purchaser on the Purchase and Sale Agreement is out of Country, returning back on 19th Novemeber 2005. Following is the residential address of Mr. Mukesh Morar.

(1)

Mr. Mukesh Morar
5890 Bassinger Place
Mississauga, Ontario L5M 6J4

After his return on 19th November, 2005, he can also be reached at (416)722-2187 (Cell)

If you require any additional information or would like to further inquire on the subject, I can be reached at (416)726-3462 or (905)569-7442

Thanking you

Sincerely



Udayan Pandya and Mukesh Morar

Documents Enclosed:

- 1) Photocopy of Purchase and Sale Agreement
- 2) Photocopy of TD Canada Trust Cheque # 202 and #203, a total of \$200,000.00
- 3) Photocopy of Receipt for \$200,000.00 given to Purchaser by Courtney Simpson
- 4) Document describing circumstances surrounding discovery of loss and Efforts made by Claimant
- 5) Lawyer John Paul Evans letter to Courtney Simpson

(2)

Insurance Administrator
 Real Estate Council of Ontario
 3250 Bloor Street West
 East Tower, Suite 600
 Toronto, ON M8X 2X9
 Phone: (416) 207-4800
 Toll-free: 1-800-245-6910
 Fax: (416) 207-4820

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**Notice of Claim
 Consumer Deposit Insurance**

This form is provided for submissions of claims pursuant to the **Consumer Deposit Insurance Policy** and is without prejudice to the liability effected with certain Lloyd's Underwriters thereunder. This Notice of Claim form should be completed by the Claimant and sent with attachments to the **Real Estate Council of Ontario ("RECO")** to the attention of the Insurance Administrator at the address noted above.

1. Identity of Claimant(s)*

Name: UDAYAN PANDYA S.I.N: 515 019 578
 4822 DERRYDOWN DRIVE Residential Address: MISSISSAUGA, ONTARIO
 Postal Code: LSM7J7 Telephone Number (Res.): 905 569 7442
 4822 DERRYDOWN DR. Business Address:
 Postal Code: LSM7J7 Telephone Number (Bus): 416 726 3462

The Claimant(s) hereby applies for payment of a claim in the amount of : \$ 200,000.00**

If this application is being submitted for more than one claimant please list the names and addresses of each claimant on the reverse side of this form.

**Details of which are set out in Paragraph 6 below.

2. Identity of Brokerage and Broker Holding Claimant's Deposit

Name of Broker: COURTNEY WALLIS SIMPSON
 Name of Brokerage: YORK REGION REALTY INC.
 Address of Brokerage: 6072 MAIN STREET, STOUFFVILLE, ON
 Postal Code: L4A 1B8 Telephone Number: 905 640 7653 Fax Number: 905 642 6423

3. Details of Agreement of Purchase and Sale

Purchase Price: 1.7 MILLION DOLLARS
 Municipal address of property being purchased/sold: 5946 MAIN STREET, STOUFFVILLE, ON
 Name of Vendor(s): Mr. SENG SEO (PRESIDENT OF 1008522 ONTARIO INC.)
 Vendor's Solicitor (if known): NOT KNOWN
 Name of Purchaser(s): UDAYAN PANDYA AND MUKESH MORAR
 Purchaser's Solicitor (if known): JOHN PAUL EVANS
 Attach photocopy of Agreement of Purchase and Sale and any amendments)

4. Date and amount of each deposit made by claimant pursuant to Agreement of Purchase and Sale

	Date	Amount*
Initial Deposit	<u>11 SEPT, 2005</u>	<u>\$ 100,000.00</u>
Second Deposit	<u>11 SEPT, 2005</u>	<u>\$ 100,000.00</u>
Third Deposit	_____	_____
Other Deposits**	_____	_____
TOTAL (All Deposits):		<u>\$ 200,000.00</u>

* Attach photocopies of each receipt and/or cheque(s) - front and back (if available)

3

any other deposits made other than listed above please provide details on reverse side of this Proof of Loss form

4. Location of Broker's Statutory Trust Account, if known.

Name of Bank: NOT KNOWN

Account No:

115

Address:

5. Describe the reasons for the Broker's failure to return Claimant's Deposit, if known.

TAKE AWAY THE DEPOSIT OF PURCHASER, IN A FRAUDULENT MANNER

7. Date of Discovery of Loss 31 OCTOBER, 2005

8. Describe circumstances surrounding Discovery of Loss:

PLEASE REFER TO THE ATTACHED DOCUMENT

9. Was Loss reported to police? YES

If so, date that Loss was reported to police 1 NOVEMBER, 2005

Name and Telephone Number of Investigating Police Officer DEBRIAN MORRISON 1-866-876-5423 X7241

10. Describe all efforts made by the Claimant to recover Deposit (e.g. any court proceedings which have been instituted, demand letters, face-to-face discussions) between the Claimant and the Broker relating to the Broker's failure to return the Claimant's deposit (use back of this page is necessary).

(Attach all documents or correspondence exchanged between the Claimant and the Broker with respect to this claim)

PLEASE REFER TO THE ATTACHED DOCUMENTS

11. The Claimant Hereby States that he/she is not aware if any claim or counterclaim by the broker or any other party which set off against the commission claimed herein.

12. The Claimant(s) hereby authorizes the Real Estate Council of Ontario and the Insurer, their agents, employees and representatives to investigate this claim on his/her/their behalf and to solicit from any party including but not limited to Broker(s), Receiver(s), Financial Institution(s) or other party(ies) who may have in their possession, care or control records, materials, documents or other property relevant to this claim. The Claimant(s) hereby directs any part to whom this document is presented to disclose any records, materials, documents or other property relevant to this claim that may be in their possession, care or control of the Real Estate Council of Ontario and its Insurer, their agents, employees and representatives and to cooperate with their investigation.

W.S. Randy

Claimant's Signature

NOVEMBER 3, 2005

Date

Name of Second Claimant:

Mr. MUKESH MORAR
5890 BASSINGER PLACE
MISSISSAUGA, ON L5M 6J4

PHONE: (R) 905 542 7985

(Cell) 416 722 2187

Udayan Pandya
4822 Derrydown Drive
Mississauga, Ontario L5M 7J7
Phone: (905)569-7442 (R), (416)726-3462 (Cell)
Udayan.pandya@siemens.com

November 3, 2005

To,
Insurance Administrator
Real Estate Council of Ontario
3250 Bloor Street West
East Tower, Suite 600
Toronto ON M8X 2X9

Circumstances Surrounding Discovery of Loss and Efforts made to recover Deposit

Respected Sir/Madam,

1. Purchase and Sale Agreement signed on Sunday September 11, 2005 @6.00pm
2. Real Estate Broker Courtney Wallis Simpson promised to provide all the Lease agreements, Phase I & II Environmental report, Operating Budget statements by 23rd September, 2005
3. Numerous attempts to contact her through Cell Phone, Email and her office phone were not successful.
4. We were successful in arranging a meeting with her on Monday October 3rd, 2005 at 6.00pm at her 6072 Main Street Office in Stouffville.
5. This meeting was confirmed by myself (Udayan Pandya) in the morning on Monday October 3rd, 2005 at 6.00pm
6. Courtney Wallis Simpson does not show up on Monday October 3rd, 2005 at 6.00pm at her 6072 Main Street Office in Stouffville..
7. Again numerous attempts were made to get in contact with her on Monday October 3rd, 2005 evening, but without any success. A written note was left on her office door, explaining our frustration and lack of professionalism on her part.

8. On Monday October 3rd, 2005 myself and Mr. Morar contacted the tenant Cadet Cleaners at the retail plaza to get the phone number of the landlord of retail plaza.
9. Tenant Cadet Cleaners refused to provide us with the landlord's phone number but agreed to provide our phone number to landlord of retail plaza
10. Landlord Mr. Seung of the retail plaza called myself on morning of 4th October, 2005 telling me that
 - he has not signed any Purchase and Sale Agreement on plaza
 - wanted to know the Purchase price on plaza
 - contact Courtney Simpson to receive all the Lease agreements
 - Operating Budget Statement and Recovery expense statement will be available in 15 business days
 - We should not contact him or any of the tenants in the Plaza
- 11) On the same day 4th October, 2005 I was lucky enough to get hold of Courtney Simpson and arrange for an evening 6.00pm meeting at her office.
- 12) I met her in person at 6.30pm on Tuesday, 4th October, 2005. She provided me with the copies of Lease Agreement, stating that an amendment for the one of the Tenant (Mac's Convenience) will be made available before the end of week.
- 13) I questioned Courtney Simpson about the Landlord's response and she answered me that Landlord does not like to identify himself or reveal any Agreement details over the phone.
- 14) I had strongly asked Courtney Simpson to setup a personal meeting with the Landlord in the same week which she agreed to do so.
- 15) I had concluded the personal meeting with Courtney Simpson on Tuesday, 4th October, 2005 with following understanding
 - Courtney to provide Amended Lease Agreement between Landlord and Mac's Convenience store by Friday 7th October, 2005
 - Courtney to provide Operating Budget and Recovery Expenses for last three years by Friday 7th October, 2005
 - Courtney to setup a meeting with landlord of Plaza asap
- 16) On the review of Lease Agreements, I found that sq. ft area and Net rent on tenants are not as per the initial document provided to me by Courtney Simpson.

- 17) I made numerous unsuccessful attempts thereafter to contact and explain this discrepancy to Courtney Simpson.
- 18) Finally on Friday October 7th 2005, I approached my lawyer Mr John Paul Evans located at 1420 Burnhamthorpe Road East, Suite 405, Mississauga, Ontario L4X 2Z9, Telephone: 905-624-5777 and advised him to send a letter to Courtney Simpson on my intention of terminating the Purchase and Sale agreement, if the documents are not delivered by Friday October 21st, 2005
- 19) On the morning of Friday October 21st, 2005, I received a phone call from Courtney Simpson stating that all the documents are ready for pickup.
- 20) I agreed to meet her on Sunday October 23rd, 2005 at 12.00pm. She showed up at 1.00pm and stated that
- Phase II environmental report came on Friday October 21st 2005 and it shows high level of contamination on more than dozen spots.
 - Financial Institution will not finance on these deal because of Contamination
- 21) The whole deal was a frustrating and suspicious to us and wanted to get over with the deal. So agreed to terminate the Purchase and Sale Agreement and asked her firmly to return \$200,000.00 deposit at the same time.
- 22) Courtney mentioned that she will have to get a Mutual release form signed by the owner and the purchaser (Udayan Pandya and Mukesh Morar) before she can withdraw the funds out of the Trust account.
- 23) Courtney printed a OREA Mutual Release form after filling all my information (Name, address, amount etc) and asked me to sign as a purchaser and on Monday 24th October, 2005, she will get it signed by the Landlord Owner..
- 24) Courtney promised to send the cheque of \$200,000.00 dollars alongwith a signed copy of Mutual Release Form by FedEx on Tuesday 25th October 2005.
- 25) I didn't received any cheque on Wednesday 26th October 2005 and when called Courtney she said it was already send by regular mail and I should receive in 2-3 days.
- 26) I was able to contact her on Friday 28th October 2005 and she stated that Cheque is definitely in mail and I should receive it.

- 27) Finally, on Monday 31st October 2005, I called York Region Police to report the case and I learnt that there were similar instances with other people.
- 28) On Tuesday 1st November, 2005, I went in person to York Region Police Station located at 8700 McCowan Street and reported a Fraud Case against Courtney Simpson.
- 29) The station duty operator was Kim Mooney, #5419, 5 District and my Report # is 05-206523
- 30) On Wednesday 2nd November, 2005, I reported a complaint to Brian S. representing RECO, Complaints committee.
- 31) I have been trying to contact Courtney Simpson everyday, but as always, No Luck.

If you require any additional information or would like to further inquire on the subject, I can be reached at (416)726-3462 or (905)569-7442

Thanking you

Sincerely

Udayan Pandya and Mukesh Morar

TAB F

121

From: Joanne MacMillan
To: stevemitch@rogers.com; udayan.pandya@siemens.com
Date: 14/11/2005 8:17:09 PM
Subject: Re: Courtney Wallis Simpson - Fraud

Udayan and Richard,

Pasted in below is the text of an e-mail that was forwarded to our attention.

Regards,

Joanne

-----Original Message-----

From: Jo Ann Swain [mailto:Joann@RECO.on.ca]
Sent: November 9, 2005 4:39 PM
To: Morrison, Brian #107; Rorke, George #199
Subject: FW: (no subject)

Brian/George,

I understand that you have had some communication with Brian Prendergast regarding an email that was forwarded to me this morning. I have obtained consent to forward this on to you but at the sender's request, I have removed his particulars (ie. name, cell number and email information).

If I can be of any further assistance, do not hesitate to contact me.

Thanks,
 Jo Ann

Jo Ann Swain
 Investigator
 Real Estate Council of Ontario
 Direct: 647 290 8384

Sent: Wed 09/11/2005 10:32 AM
To: Jo Ann Swain
Subject: Fw: (no subject)

Hi Jo Ann...here is email ...please give me a quick call on my mobile when you get this...

----- Original Message -----


From: Cwallissimpson@aol.com
To: jake@net-works.cc
Sent: Wednesday, November 09, 2005 3:20 AM
Subject: (no subject)

I just want everyone to know what is going on in terms of my "progress". I met with the Real Estate Council of Ontario and their lawyers today and gave them a list of everyone's name and phone number to whom is money is owed. They will quarterback the process, in conjunction with the York Region Police, to determine how we will pay everyone back. They have decided that I can sell my assets, which we will do immediately -

THIS IS EXHIBIT F ATTACHED

TO THE AFFIDAVIT OF

Udayan Pandya
 SWORN November 16, 2005


 A COMMISSIONER

M. JOANNE MacMILLAN

122

the house is worth approx. \$650,000, the cottage is worth \$700,000 my lot is worth \$200,000 and my office building is worth \$650,000. There is a first of \$220,000 on the house and \$200,000 on the cottage. They will control all assets and distribute the proceeds in whatever manner they deem proper. All contents will all be sold and will be worth approx. \$100,000. Beyond that, I will be formally charged sometime this week and it will likely be 9 months to one year before I go to jail. It is my sole and complete objective during this time to earn however much I am able to start to pay back the difference. And I will.

I know how terribly hard it will be for so many of you to comprehend, but all I ever wanted to do was to help people. To make their lives better, to earn them money. I am 40 years old and I have a whole lot of life ahead of me, and with the knowledge and skills and talents I have, obscure as they may be, accompanied by the fact that I am now FINALLY at liberty to lead an honest life and not a dilusional spinning lie, I know that I will be able to succeed in making all of this right. It is going to be a long and bumpy road, and noone in the world is more sorry that I for all of the pain that I have caused to all of my friends and my family, but I am responsible for every single cent that every single one of you is expecting, and I will indeed keep my promise to all of you to fix this horrific, terrifying mess.

I suppose that some of life's lessons are learned in a much more difficult manner than others and this is certainly a tough one, but even though I am starting at complete ground zero, I am determined to conquer this mountain to give me, and all of you, and my family our lives back. I take full and complete responsibility for all of my actions. I am going to take whatever punishment lies ahead of me and I am going to take each and every lesson that this process presents to become a better person as a result of it. God knows why I was sent here to cause so much pain to so many people, but whatever the reason is I need you to recognize that noone is suffering more than I am. I live, 24 hours a day with the compounded pain of all of you and that alone fuels my determination to take this challenge and make things right. You were my friends and I love each one of you with all of my heart, and I will do everything I am able to do to protect you and your money and guide you through this process.

From the bottom of my heart I thank everyone of you that has offered me your love and support. I, more than anyone, do not deserve it, and it just floors me that any of you have such compassion and ability to forgive me after what I have done. I do not want forgiveness from anyone until I have handed each one of you a cheque (that you can actually present at the bank and cash for a change), for every last cent I have promised. All I ask for right now is for you to believe in me, to stay behind me and help me scale that mountain. For you to say to yourselves in the back of your minds, "get out there and get this done". Because I will.

I am sorry, I am so terribly sorry, for the inconvenience, for the pain, for the enormous tangled web of lies that I embroiled everyone in. I just did not know what else to do or who to ask for help. And I knew that if the train crashed everyone would loose everything and I could not let that happen. But it is over now, and I am finally at liberty to take back that little person inside of me that is honest and giving and

determined with all of the will in the world to make things right.

I will keep you posted as to what you should do to file the necessary claims in the necessary venues to make sure you are represented and compensated.

And if nothing else, I only ask that you please keep me, and my family, in your thoughts and your prayers during what will be one of the biggest challenges that any one person has ever faced. But I am prepared to face it.

And I WILL make it right. It is no less than each one of you deserve.

Courtney.

The contents of this e-mail (and any attachments) are confidential and may be privileged. If you are not the intended recipient, any use, distribution, copying or disclosure of this e-mail (and any attachments) is unauthorized. Any other use, distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or you have received this e-mail in error, please notify RECO immediately by reply e-mail and then permanently delete this e-mail, including any attachments, from your system, without making a copy. Thank you.

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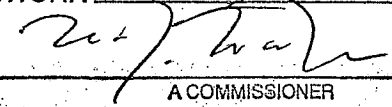
TAB G

TO THE AFFIDAVIT OF

List Of Assets Held By The Defendants

Udajan Pandya

SWORN November 18, 2005



A COMMISSIONER

M. JOANNE MacMILLAN

Real Estate

Property Description

Owner

587 Cam Fella Boulevard
Stouffville, Ontario
L4A 7H3

Jointly owned by Courtney Wallis Simpson and
Kenneth Wayne Simpson

PIN 03715-0004
Whitchurch, Ontario

Courtney Wallis Simpson

PIN 03710-0193/0194
Stouffville, Ontario

"Courtney Wallis Simpson" and/or the other
defendants

1038 Kawagama Lake Road
Con 13 PT Lot 1
RP19R3154, Parts 1, 6, 7
Dorset, Algonquin Highlands Township, Ontario

Courtney Wallis Simpson

Bank Accounts

Royal Bank of Canada
Transit No. 02982
47 Main Street
Markham, Ontario

Royal Bank of Canada
Davis and Highway 404 Branch
Toronto, Ontario

Canadian Imperial Bank of Commerce
Transit No. 01642
4360 Highway 7
Unionville, Ontario

Bank of Montreal
Town Square Branch
Richmond Hill, Ontario

TD Canada Trust
Town Square Branch
Richmond Hill, Ontario

TD Canada Trust
Davis and Highway 404 Branch
Toronto, Ontario

Bank of Nova Scotia
Davis and Highway 404 Branch
Toronto, Ontario

HSBC
Richmond Hill

Laurentian Bank
Newmarket, Ontario

DMSTORLega\056445\00001\369505v1

TAB H



MINISTRY OF
CONSUMERS AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE #85

PARCEL REGISTER (ABREVIAED) FOR PROPERTY IDENTIFIER
01710-0194 (L7)

PAGE 1 OF 1
PREPARED FOR CALKAG01
ON 2005/11/14 AT 11:45:03

PROPERTY DESCRIPTION: PT LOTS 48 & 50, PG 70 STOUPEVILLE, PG 1, 65825614, MITTCHURCH-STOUPEVILLE.

PROPERTY REMARKS

ESTATE/QUALIFYING
PER SHARE
IF CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 01710-0096

OWNERS NAMES
MULLIS-SIMPSON, COURTNEY SAMANTHA

CAPACITY SHARES
BEN0

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHGNT/ CHGNT
** PRIORITY		INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
** SUBJECT		BY FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:		PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
		SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT				
		AND ESCHEATS OR FORFEITURE TO THE CROWN.				
		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE		LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		
		IT THROUGH BENEFIT OF ADVERSE POSSESSION, PRESERVATION, MISDESCRPTION OR BOUNDARIES SETTLED BY				
		CONVERSION.				
		ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE		REGISTRY ACT APPLIES.		
** NOTE ON CONVERSION TO LAND TITLES 1999/12/10 **						
65825614	2001/09/14	PLAN HEREBY				
18301291	2001/05/24	NOTICE		THE CORROBORATION OF THE TOWN OF MITTCHURCH-STOUPEVILLE		
18317782	2001/08/26	BYLAW DEBA PLANE		THE CONSOLIDATION OF THE TOWN OF MITTCHURCH-STOUPEVILLE		
18175221	2001/10/17	TRANSFEE	\$100,000	WALKERST, GIBBIA		
18598941	2005/02/10	CHANGE	\$110,000	MULLIS-SIMPSON, COURTNEY SAMANTHA		
18695117	2005/09/01	NOTICE		HER MANDATE THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		
		REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/100/00-636)				

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

THIS IS EXHIBIT H ATTACHED
TO THE AFFIDAVIT OF
Vdayan Pandya
SWORN November 16, 2005
27.202
A COMMISSIONER
M. JOANNE MacMILLAN

123



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

LAND
REGISTER
OFFICE #65

PARCEL REGISTERED (ABBREVIATED) FOR PROPERTY IDENTIFIER
03107-0065 (L1)

PAGE 1 OF 1
PREPARED FOR CALL#01
ON 2005/11/08 AC (3104-21)

SUBJECT TO RESERVATIONS IN CROWN GRANT

F-561

P.02/02

T-96E

8055229979

NOV-08-05 01:06PM FROM-CBIS/SOCCB

PROPERTY DESCRIPTION: PCL 19-1 SEC 6102396; LT 19 PL 6102396; WILTINGHURCH-STONEYVILLE
PROPERTY RESERVES:
ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

CURRENT HOLDERS:
HALLES SIMPSON, COURTNEY
SIMPSON, REINETH MAYNE

RECENTLY:
FIRST GRANT FROM BOOK
CAPACITY SHARE
OTHER
OPEN

REG CREATION DATE:
1997/09/22

REG. NUM.	DATE	DISTRICT/TYPER	AMOUNT	PARTIES FROM	PARTIES TO	CHRG/ CEND
<p>** EFFECTIVE 2000/07/29 THE NOTATION OF THIS BLOCK IMPLEMENTATION DATE OF 1997/09/22 ON THIS PLAN ** ** THIS RESERVE IS WITH THE REG CREATION DATE OF 1997/09/22 ** ** PARTIAL INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</p>						
LT2281792	1985/05/31	APL ANKER REST COV				C
LT2216588	1986/09/10	APL ANKER REST COV				C
LT1472636	2000/04/29	TRANSFER	\$343,557	MCCRENDY, WILLIAM BRIAN MCCRENDY, PAMELA ANNE	HALLES SIMPSON, COURTNEY SIMPSON, REINETH MAYNE	C
LT1472697	2000/04/28	CHARGE	\$317,704	HALLES SIMPSON, COURTNEY SIMPSON, REINETH MAYNE	CIBC MORTGAGES INC. TRADING AS FIRSTLINE MORTGAGES	C
WR834297	2005/08/11	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT THE SECRETARY OF STATE FOR INDUSTRY		C

REMARKS: AEROMARITIME ACT AND THE SECURING AIRPORT SITE ZONING REGULATIONS (SMO/10000-676)

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



MINISTRY OF
CORPORATE AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE 165

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
0110-0191 (U7)

PAGE 1 OF 1
PREPARED FOR CALKEND1
ON 2005/11/14 AT 11:43 55

Ontario

PROPERTY DISTRICT IDENTIFIER: PT LRS 19 & 50, PL 70 STOUFVILLE, PT 2, 55625614, WILTONCHURCH-STOUFVILLE

PROPERTY BARRIERS: CONSENT TO SERVICANCE IN YR101539

ESSENCY/COULTELENE
RESERVE
UP CONVERSION QUALIFIED

RECENTLY
DIVISION FROM 03110-0086

CAPACITY SHARE
BAND

OWNERS: WILKS
MULLIS, SIMPSON, COURTNEY SAMANTHA

REG. INSTR.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
** PRINTOUT		INCLUDES ALL RECORDS TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
** SUBJECT		ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO				
**		SUBSECTION 4(1) OF THE LAND TITLES ACT EXCEPT		PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
**		AND ESCHEATS OR FORFEITURE TO THE CROWN				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE		LAND TITLES ACT, BE ENTITLED TO THIS LAND OR ANY PART OF		
**		IT THROUGH LEGAL OR ADVERSE POSSESSION, PRESERVATION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
**		CONVEYANCE				
**		ANY LEASER TO WHICH THE SUBSECTION 70(2) OF THE				
**		REGISTRY ACT APPLIES.				
** DATE OF CONVERSION TO LAND TITLES: 1999/12/20 **						
65625614	2001/01/14	PLAT REFERENCE		THIS CORPORATION OF THE TOWN OF WILTONCHURCH-STOUFVILLE		C
WR101291	2001/05/22	NOTICE		THE CORPORATION OF THE TOWN OF WILTONCHURCH-STOUFVILLE		C
WR141782	2001/08/26	BY-LAW DECK PLAN		MULLIS, GISELA		C
WR153271	2001/10/13	TRANSFER	\$200,000	MULLIS - SIMPSON, COURTNEY SAMANTHA		C
WR598944	2005/02/10	CHARGE	\$210,000	MULLIS - SIMPSON, COURTNEY SAMANTHA		C
WR695117	2005/09/01	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C

NOTE: ADJOINING PROPERTIES SHOULD BE IDENTIFIED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES. IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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MINISTRY OF BUSINESS AND SERVICES

LAND REGISTRY OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER 01115-0004 (L2)

PAGE 1 OF 2
PREPARED FOR CALKENDI ON 2005/11/14 AT 11:42:13

Ontario

PROPERTY DISPOSITION: PT LT 30 PG 54 STOUFVILLE; PT LT 31 PG 54 STOUFVILLE; PT LT 40 PG 54 STOUFVILLE; PT LT 41 PG 54 STOUFVILLE PLS 1, 7, 65R2555; S/P/R R221467, R221469 WHITCHURCH-STOUFVILLE

PROPERTY DATE: 1999/12/17

PROPERTY REMARKS:
SERVANT/QUALIFIER:
PER SERVIPLE
LT CONVERSION QUALIFIED

RECORDING REFERENCE FROM 01115-0149
CAPACITY: SHARE
BONO

OWNERS: JAMES WILKES, SHARON, COURTNEY SAMANTHA

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHRY/CHRD
6582511	1978/01/10	PLAN REFERENCE				C
6582525	1978/01/21	PLAN REFERENCE				C
8221467	1978/04/14	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFVILLE	C
8221469	1978/04/14	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFVILLE	C
8225240	1978/07/04	AGREEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFVILLE	C
YR609364	2005/01/07	TRANSFER	\$579,900	YOUNG, ROSE MARIE		C
YR608874	2005/03/08	CHARGE	\$220,000	WILKES SHARON, COURTNEY SAMANTHA	PARVA, AJAY	C

NOTE: ADDITIONAL PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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30



MINISTRY OF
CONSUMER AND
SERVICES

LAND
REGISTER
OFFICE #85

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
01715-0000 (LCP)

PAGE 1 OF 2
PREPARED FOR CALKEND
ON 2005/11/14 AT 11:42:11

REQ. NO./ YR695113	DATE 2005/09/01	EXPIRES NOTICE	ACCOUNT	PARTIES FROM PAINA, JAN	PARTIES TO HALLIS SINGSON, COURTNEY SAMANTHA	CERT/ CHECK C
YR695113	2005/09/01	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT REVERSING AERONAUTICS ACT AND THE STATUTE REGARDING AIRPORT SITEZ ZONING REGULATIONS (SOR/10000-616)		C
YR695119	2005/06/28	NOTICE				C

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

Re: 1033 Kawagame 132

May 31/02

\$ 257,911.57

Owners

Courtney

Wallis

~~Wallace~~

Simpson

2 Flort

① May 31/02 \$ 238,380.00

Royal Bank

②

Mar 9/05

Ajay Pakwa

\$ 220,000.00

November 8, 2005

LRO SEARCH REPORT

RE: COURTNEY WALLIS SIMPSON

1. 587 CAMBELLA BLVD. WHITCHURCH STOUFFVILLE
2. COURTNEY SAMANTHA WALLIS SIMPSON FOUND NO ADD PIN 03715-0004
WHITCHURCH
3. COURTNEY SAMANTHA WALLIS-SIMPSON FOUND NO ADD PINS 03710-0193/0194
STOUFFVILLE.

END

enter IP2
two PIN A
in Province wide
Section!

11/8/2005

Tab I



THIS IS EXHIBIT 1 ATTACHED 134

TO THE AFFIDAVIT OF Udayan Pradya

SWORN November 16, 2005

[Signature]

A COMMISSIONER
M. JOANNE MacMILLAN

Michael J. Quilling

EMAIL: mquilling@qsclpc.com
RECEIVERSHIP WEBSITE: www.secreceiver.com

Education

University of Georgia School of Law (J.D. 1982)
University of Georgia (B.A. 1979)

Courts of Practice

All Texas State Courts (1982)

U. S. Federal District Courts

Northern District of Texas (1983)
Southern District of Texas (1993)
Eastern District of Texas (1985)
Western District of Texas (1984)
Western District of Michigan (2000)

U. S. Federal Appellate Courts

Fifth Circuit Court of Appeals (1984)
Seventh Court of Appeals (2002)
Ninth Circuit Court of Appeals (1990)
Eleventh Circuit Court of Appeals (1989)

U.S. Supreme Court (2000)

Specializations

Texas Board of Legal Specialization

Civil Trial Law (1991)
Business Bankruptcy Law (1991)

Professional

Texas Super Lawyer, 2004
Texas Super Lawyer, 2003
Fellow, Dallas Bar Foundation

Selected Published Cases

Michael J. Quilling, Receiver for Lennox Investment Group, Ltd. v. National City Bank of Michigal, Illinois, f/k/a First of America Bank-Illinois, 2001 WL 1516732 (N.D.Ill)

Quilling v. Funding Resource Group, 227 F. 3d 231 (5th Cir.2000)

Peavy v. WFAA-TV, Inc., 221 F. 3d 158 (5th Cir. 2000)

Goodspeed v. Harman, 39 F. Supp. 2d 787 (N.D. Tex. 1999)

Peavy v. Harman, 37 F. Supp. 2d 495 (N.D. Tex. 1999)

Peavy v. New Times, Inc., 976 F. Supp. 532 (N.D. Tex. 1997)

In re Pro-Snax Distributors, Inc., 204 B.R. 492 (Bankr. N.D. Tex. 1996)

In re Norriss Brothers Lumber Company, Inc., 133 B.R. 599 (Bankr. N.D. Tex. 1991)

Security Bank v. Dalton, 803 S.W.2d 443 (Tex. App.--Fort Worth 1991)

Myers v. Ginsburg, 735 S.W.2d 600 (Tex. App.--Dallas 1987)

Simpson v. MBank Dallas, N.A. 724 S.W.2d 102 (Tex. App.--Dallas 1987)

MBank Dallas, N.A. v. Sunbelt Manufacturing, Inc., 710 S.W.2d 633 (Tex. App.--Dallas 1986)

Miller v. Miller, 700 S.W.2d 941 (Tex. App.--Dallas 1985, writ ref'd n.r.e)

**Involvement in Significant
SEC Cases**

In Re Future Communications; Case No. 393-37680-SAF-7 (Bankr. N.D. Tex.)

In Re Offshore Financial Corporation; Case No. 396-37173-RCM-11 (Bankr. N.D. Tex.)

Securities and Exchange Commission v. Forex Asset Management, L.L.C., et al; Civil Action No. 3-99-CV-0256-P (N.D. Tex.)

**Current SEC Receivership
Cases**

Securities and Exchange Commission v. Funding Resource Group, et al; Civil Action No. 3:98-CV-2689-M (N.D. Tex.) (approximately 2000 claimants)

Securities and Exchange Commission v. Larry Tyler and Advanced Financial Services, Inc., et al.; Civil Action No. 3:03-CV-0282-F (N.D. Tex.) (approximately 450 claimants)

In Re All Funds on Deposit in Account Number 000669829075 in The Bank of MM APMC Banque de Commerce, Inc. at NationsBank, N.A. Consisting of \$18,756,420.97, More or Less; Cause No. 3:98-MC-96-McK (W.D. N.C.) (approximately 1000 claimants)

Securities and Exchange Commission v. Frederick J. Gilliland, Defendant and MM APMC Banque de Commerce, Inc., Relief Defendant; Civil Action No. 3:02CV128-McK (W.D. N.C.) (Approximately 1000 claimants)

SIPC Trustee Cases

In Re: Northstar Securities, Inc.; Adv. No. 01-37722-HCA (N.D. Tex.) (approximately 350 claimants)

**Other Current
Receivership Cases**

Banc One Leasing Corporation v. Optovision Technologies, Inc., et al.; Cause No. 02-6667 (A-14th J.D. Dallas Cty, Tex.)

Michael J. Quilling, Receiver for Advanced Financial Services, Inc. v. Trade Partners, Inc., et al.; Civil Action No. 1:03CV-0236 (W.D. Mich.)

United States of America v. James A. Sharpe, et al.; Case No. 3:03CR128/RV (N.D. Fl.)

Michael J. Quilling, Receiver for the Estate of Frederick J. Gilliland v. Frederick J. Gilliland, et al.; Cause No. S034144 (Sup. Ct. of British Columbia)

**Closed Receivership
Cases**

Securities and Exchange Commission v. Cornerstone Prodigy Group, et al.; Civil Action No. 4:99-CV-0978-Y (N.D. Tex) (approximately 3500 claimants)

Lexford Properties Management, LLC v. Brentwood-Lexford Partners, LLC, et al.; Cause No. 00-3198 (191st J.D. Dallas Cty, Tex.)

Securities and Exchange Commission v. Lennox Investment Group, Ltd., et al.; Civil Action No. 4-98-CV-536-Y (N.D. Tex.) (approximately 50 claimants)

14 195

I am the founding shareholder of the Dallas, Texas based law firm of Quilling, Selander, Cummiskey & Lownds, P.C. Licensed in 1982, for the past 20 years I have functioned as a trustee in bankruptcy proceedings and a receiver in civil proceedings. For the past seven years I have functioned almost exclusively as a receiver at the request of the United States Securities and Exchange Commission and the United States Department of Justice in complex international cases involving financial and investor fraud. Most of the cases I have handled involved the liquidation of real estate, whether it be commercial or residential. During the course of my career, I have marketed and sold millions of dollars of real estate in the United States and Canada. I currently have in excess of \$1.5 million of real estate for sale in cases in which I act as receiver.

I also possess extensive experience in bank account reconstruction, financial tracing and asset seizure. I have reconstructed bank records for thousands of accounts involving hundreds of thousands of line entries and have traced hundreds of millions of dollars throughout the world. In order to determine the identity of, and return funds to investors, I have developed a sophisticated database and tracking system for investor information and claims. I was one of the first to develop a website, www.secreceiver.com, to allow investors to easily and cost-effectively communicate with me regardless of where they, or I, are located and to monitor progression of the case.

If selected I have agreed to act as receiver in these proceedings for \$400 per hour (Canadian) and intend to employ local professionals to assist me in my efforts.

Tab 3

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

BETWEEN:

UDAYAN PANDYA

Plaintiff

-and-

COURTNEY WALLIS SIMPSON, YORK REGION
REALTY INC., WALLIS, SIMPSON & ASSOCIATES
AND CAMEO INVESTMENTS

Defendants

In the matter of the *Class Proceedings Act, 1992*

AFFIDAVIT OF RICHARD KWASNIEWICZ
(Sworn November 16, 2005)

I, Richard Kwasniewicz, of the City of Mississauga in the Province of Ontario, MAKE
OATH AND SAY:

1. I entered into what appears to be a fraudulent agreement of purchase and sale negotiated by Courtney Wallis Simpson ("Simpson") as a real estate broker in furtherance of what I believe to be a series of real estate frauds perpetuated by Simpson and the other defendants. Accordingly, I have personal knowledge of the matters deposed to in this affidavit. Where I rely upon information received from others, I state the source of the information and verily believe it to be true.

Introduction

2. This affidavit is made in support of a motion seeking an order appointing Michael J. Quilling as receiver (the "Receiver") over the assets of Simpson, York Region Realty Inc. ("York Realty") and the other defendants and authorizing the Receiver so appointed full power to investigate all matters pertaining to the raising of funds by the defendants, including the powers to investigate the whereabouts of such funds (or assets referable to such funds), to compel the production of documents and examine third parties and full power to hold and preserve such funds or assets once ascertained pending further order of the court.

3. I believe that without the appointment of a receiver, my right to recover damages from the defendants will be seriously jeopardized.

The Parties

4. I am a resident of the City of Mississauga, Ontario and the president of 2007311 Ontario Inc.

5. The defendant, Simpson is a member of the Real Estate Council of Ontario ("RECO"), a broker under the *Real Estate and Business Brokers Act* and is the principal broker and controlling mind of the defendant, York Region Realty Inc. ("York Realty") and also of the defendant entities known as Wallis Simpson & Associates ("Simpson & Associates") and, I believe, Cameo Investments ("Cameo").

The Scheme

6. On August 17, 2005, I signed, in my capacity as president of 2007311 Ontario Inc., an agreement of purchase and sale in respect of a commercial property located at 5946 Main Street, Stouffville Ontario. Attached hereto and marked as **Exhibit "A"** to my affidavit is a copy of this agreement of purchase and sale.
7. I provided a deposit to Simpson in the amount of \$200,000 as required pursuant to the agreement of purchase and sale. The cheque was dated August 17, 2005 and was in the form of a Parama Lithuanian Credit Union Ltd. certified cheque made payable to "York Region Realty Inc. – In Trust" from 2007311 Ontario Ltd. Attached hereto and marked as **Exhibit "B"** to my affidavit is a copy of the deposit cheque for the 5946 Main Street property.
8. After signing the agreement, Simpson showed me the Environmental Reports, which indicated that the property was contaminated. In light of the contamination, Simpson advised me not to continue with the purchase of the property.
9. On Simpson's advice, I decided to terminate the agreement and I signed a Mutual Release on August 23, 2005. Attached hereto and marked as **Exhibit "C"** to my affidavit is a copy of the Mutual Release.
10. On August 31, 2005, I received my deposit back with interest from York Realty. Attached hereto and marked as **Exhibit "D"** to my affidavit is a copy of the refund cheque.

11. On September 1, 2005, I signed, in my capacity as president of 2007311 Ontario Inc., a separate Agreement of Purchase and Sale (the "Agreement") in respect of a commercial property located at 5262 Main Street, Stouffville Ontario (the "Property"). Attached hereto and marked as **Exhibit "E"** to my affidavit is a copy of the Agreement.

12. I entered the Agreement as a would be purchaser of a commercial property. Simpson, as my broker, negotiated the Agreement and witnessed my signature. It appears as though the vendor of the Property, Mario Greco also signed and initialed the Agreement.

13. When I signed the Agreement, I provided a deposit to Simpson in the form of a Parama Lithuanian Credit Union Ltd. cheque in the amount of \$200,000. The cheque was dated September 2, 2005 and made payable to York Regional Realty Inc. in trust. Attached hereto and marked as **Exhibit "F"** to my affidavit is a copy of the deposit cheque for the 5262 Main Street property.

14. Despite a number of attempts to contact Simpson, I was unsuccessful. I became frustrated with Simpson's failure to return my phone calls the inability to get any information from her. As such, on October 19, 2005, I exercised my right not to proceed with the Agreement and requested the return of the \$200,000 deposit from Simpson at this time.

15. Simpson told me that the owner and I would have to sign a Mutual Release form before the deposit funds could be withdrawn from the trust account. Mario Greco, the owner, and I signed the OREA Mutual Release form and returned it to Simpson on October 19, 2005. The

Mutual Release was witnessed by Simpson. Attached hereto and marked as **Exhibit "G"** to my affidavit is a copy of the Mutual Release for the 5262 Main Street property.

16. I did not receive the refund for the deposit forthwith upon the execution of the Mutual Release by all of the parties but Simpson assured me that I would receive the \$200,000 deposit refund by October 31, 2005.

17. On October 27, 2005, I received a cheque (not a certified cheque or a bank draft) issued to Mr. Kwasniewicz (rather than 2007311 Ontario Ltd.) for \$200,567.21 from York Region Realty Inc. Attached hereto and marked as **Exhibit "H"** to my affidavit is a copy of the cheque.

18. I took the cheque to the Bank of Montreal and was advised that it would not clear as there were insufficient funds in the payer's account.

19. On October 28, 2005, I advised my lawyer, Mr. John Paul Evans, to send Simpson a letter confirming that the Agreement had been terminated by the mutual agreement of both parties, that the \$200,000 deposit that was paid on account of the purchase price was and continues to be held in trust by York Realty, and that the deposit and interest earned was to be paid on or before October 31, 2005 by a bank draft or certified cheque. Attached hereto and marked as **Exhibit "I"** to my affidavit is a copy of the letter from Evans to Simpson.

20. To date, I have not received my deposit funds. On October 31, 2005, I reported my loss to the police. The station duty operator, Kim Mooney (badge #5419), took my complaint. My report number is 05-205899.

21. At that time, I was told by Kim Mooney that my experience with Simpson and York Realty was common to a number of people in the area.
22. On November 2, 2005, I reported my complaint to the Real Estate Council of Ontario, Complaints Committee. Attached hereto and marked as **Exhibit "J"** to my affidavit is a copy of the Real Estate Council of Ontario Notice of Claim and complaint form.
23. I am advised by Detective Brian Morrison of the following:
- (a) that I am not the only victim of Simpson's scheme of retaining deposit funds which were intended to be held in trust;
 - (b) that he has received reports of similar arrangements made by Simpson and York Realty with the other class members;
 - (c) that there may be as many as 18 victims of this fraud that he is aware of, and potentially as many as 62 other victims according to information that he has received from Simpson;
 - (d) that Simpson met with the police on November 15, 2005 and advised them that she has retained Fred Fedorsen as counsel and that he is not available until November 22, 2005;
 - (e) She had previously told him that she had retained David North;
 - (f) Simpson told him that she does not have any money. She used the money that she later collected from some of the victims of this matter to pay back some of the earlier victims;
 - (f) that JoAnn Swain of RECO provided Detective Morrison with an e-mail message sent by Simpson. Attached hereto and marked as **Exhibit "K"** to my affidavit is a

copy of an email sent by Simpson and forwarded to RECO indicating, among other things that she has retained counsel, that she provided the police with a list of people to whom money is owed and she describes some of her assets;

- (g) that Simpson and/or the other defendants hold the accounts listed in Exhibit "L" to my affidavit;
- (h) that Simpson and/or the other defendants own the properties listed at Exhibit "L";
- (i) that Simpson & Associates and Cameo Investments hold property for her benefit.

Assets of the Defendants

24. I have reviewed the title searches and based on this, believe that the defendants have a number of properties in Ontario. Attached hereto and marked as **Exhibit "L"** to my affidavit is a list of the assets held by Simpson and the other defendants. Attached hereto and marked as **Exhibit "M"** to my affidavit is a copy of the title search documents.

A Second Scheme

25. On November 14, 2005, I gave Simpson \$50,000 on her promise to invest it for ten days at which time she would give me a cheque for \$60,000. Attached hereto and marked as **Exhibit "N"** to my affidavit is a copy of the note written and signed by Simpson acknowledging her obligation to pay me \$60,000 on November 24, 2005.

26. On November 24, 2005, Simpson gave me a cheque in the amount of \$60,000. Before I cashed this cheque, Simpson gave me a new cheque dated November 27, 2005 in the amount of \$60,098.96 and took back the \$60,000 cheque. The cheque did not clear when I took it to the

bank to cash it. Attached hereto and marked as **Exhibit "O"** to my affidavit is a copy of the November 24, 2005 and November 27, 2005 cheques.


27. I asked Simpson to give me my money back, both the \$200,000 deposit and the \$50,000 investment. To date, she has not returned my money to me.

Qualifications of Michael J. Quilling

28. I have reviewed the curriculum vitae and survey of relevant experience of Micheal J. Quilling. Attached hereto and marked as **Exhibit "P"** to my affidavit is the curriculum vitae and summary of experience of Michael J. Quilling.

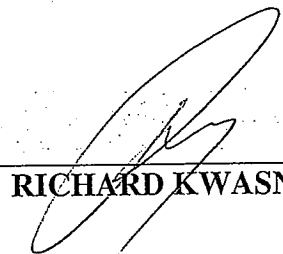
29. I make this affidavit in support of the motion for an order appointing a receiver in order to ascertain the whereabouts of the funds raised (or assets referable to the funds) and to preserve the funds or assets referable to the funds pending final disposition of this action and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario, this)
16th day of November, 2005.)



A commissioner, etc.)
in and for the Province of Ontario)

M. J. Macmillan



RICHARD KWASNIEWICZ

TAB A

AGREEMENT OF PURCHASE AND SALE
ON
5946 Main Street, Stouffville, Ontario

[Signature]
A COMMISSIONER

("the Agreement")

M. JOANNE MacMILLAN

PURCHASER: 2007311 Ontario LTD [Signature]

AGREES WITH:

VENDOR: **1008522 ONTARIO LIMITED**

to purchase the following property through:

PROPERTY: All and singular that certain parcel or tract of land and premises situate, lying and being in the Town of Stouffville, Ontario, municipally described as **5946 MAIN STREET, IN THE TOWN OF STOUFFVILLE, ONTARIO** hereof upon which lands is presently constructed and situate a one single storey multi tenant retail building and a one gas bar area with overhead canopy, with a total leasable square footage area of approximately 7,000 square feet plus gas canopy area, together with other associated improvements (the "Building"), the said lands, Building and improvements being collectively hereinafter sometimes referred to as the "Property" for the purchase price of \$1,800,000 (ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS) on the terms and conditions hereinafter set out:

1. Purchaser agrees to deliver to York Region Realty inc. in trust, a cheque in the amount of Two Hundred Thousand (~~\$200,000.00~~) Dollars, upon acceptance, as a deposit to be held by them in trust pending completion or other termination of this Agreement and to be credited towards the Purchase Price on completion. It is agreed and understood that an amount of 4% per annum will be paid to the Purchaser on the deposit funds held in trust pending completion and/or other termination of this agreement for any reason.
2. The Vendor agrees to deliver the following (the "Source Documents") to the Purchaser within three (3) days following acceptance hereof by the Vendor:
 - (a) Such consents and authorizations as the Purchaser may reasonably require so that information regarding the Property may be released and so that inspections may be made by any governmental authority having jurisdiction over the Property and further permitting the release of any relevant information concerning the Property, to the Purchaser or its solicitors, by such governmental authority;
 - (b) copies of all leases in the Vendor's possession;
 - (c) An existing plan of survey;
 - (d) Copy of 2002, and 2003 Operating Budget Statement of Recoverable Expenses;
 - (e) Copy of the Vendor's Phase 1 and/or Phase 2 Environmental report;

[Signature]

4. This Offer and the Agreement resulting from the acceptance thereof shall be conditional upon each and every one of the following:

- (i) The Purchaser or its nominee inspecting the Property and the Purchaser being satisfied, in its sole determination, with the condition of the Property and all components thereof.
- (ii) The Purchaser be approved for the first mortgage and the Purchaser hereby agrees to provide such information as the Mortgagee reasonably requires.
- (iii) This Offer is conditional upon the Purchaser's solicitor approving all terms and conditions of this offer. It is agreed that if the purchaser's solicitor is not satisfied with the terms and conditions herein, this offer shall be null and void and the deposit shall be returned to the purchaser without deduction.

If conditions 4(i), (ii), (iii), are not satisfied or waived by the 30th day after acceptance, in writing by the Purchaser, for whose sole benefit the condition has been inserted and who shall have the sole right to waive same, then such condition shall be deemed not to have been satisfied or waived, and this Agreement, without any further act or formality shall be at an end and of no further force and effect, and the Vendor shall forthwith return or cause to be returned to the Purchaser the deposits paid hereunder without interest and without deduction, and neither party shall have any further rights or obligations hereunder. If the Purchaser is not approved by the Mortgagee then, at the option of the Vendor, this agreement shall be at an end and of no further force and effect, and the Vendor shall forthwith return or cause to be returned to the Purchaser the deposited paid hereunder without interest or deduction.

5. The Vendor covenants, warrants and represents to the best of the Vendor's knowledge and belief, as follows:

- (a) That the Property is presently zoned Commercial retail to permit its current use as a strip plaza including any parking facilities and buildings and erections located thereon.
- (b) That the Building is occupied by and leased to tenants as set out in the rent rolls to be provided in paragraph 6 herein, and that all tenants are paying full rent in accordance with the provisions of the respective tenancy agreements and that no commercial tenants have given notice to the Vendor of an intention to assign or terminate their leases or otherwise part with possession of their respective premises.
- (c) That the Vendor has not received any written notice (nor is it aware of any claim or potential claim) from any of the tenants advising of any default by the Vendor in respect of its obligations under the said respective leases which have not already been remedied by the Vendor, and that the Vendor has not yet received any written notice from any tenant advising of any claim or set off or impending claim or respective leases, and no such claim or set off, current or pending, exists. If any such notice is received by the Vendor prior to closing, the Vendor shall promptly notify the Purchaser and shall remedy the default complained of prior to the closing date.

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- (d) The Vendor shall operate, maintain and manage the Property to the Closing Date and shall carry on the business operations in the usual and ordinary course as befits a prudent owner. The Vendor will not amend or accept a surrender or permit an assignment of any leases or tenancies affecting the Property, other than in the ordinary course of business as befits a prudent owner, nor shall the Vendor enter into any new leases, agreements to lease or finalize the negotiations of any renewal leases, other than in the ordinary course of business as befits a prudent owner.
- (e) That there are not now and the Vendor has no knowledge and has received not notice of any expropriation or any pending or threatened litigation or other judicial or administrative proceeding affecting the Property, including without limitation, in any way relating to the use and occupation of the Property, nor any claims adverse to the title to the Vendor and further that there will not as of closing date be any work orders outstanding against the property or any part thereof.
- (f) As of the Closing Date, there shall be no listing agreement outstanding pursuant to which any real estate broker has been granted the right to lease out space in the Building. All rental or real estate commission now owed with respect to the leases and tenancy agreements shall have been paid in full by the Vendor on or before the Closing Date.
- (g) All equipment, fixtures, plant and machinery, including without limitation, any elevating devices, in or about the Property has been inspected, approved and licensed by the proper authority wherever such inspection, approval and licensing is required and that all such licenses are in full force and effect.
- (h) There shall be no change in the status of the warranties and representations from the waiver date to the Date of Closing.

6. The Vendor covenants and agrees to deliver to the Purchaser, on or before closing, all documentation to which the Purchaser is entitled hereunder, including, without limiting the generality of the foregoing:

- (a) Transfer/Deed of Land to the Purchaser, or whomsoever the purchaser may direct, in compliance with Section 49 of the Planning Act of Ontario. If requested by the Purchaser, Vendor covenants that the Transfer/Deed shall contain the statements contemplated by clauses 49(21a)(a) and (b) of the Planning Act, 1983 and shall leave box 4 of the Transfer/Deed blank if so requested by the Purchaser.
- (b) The original executed copies of the leases herein referred to together with direction executed under the Corporate Seal of the Vendor to each of the tenants authorizing and directing all rental and other payments due from and after the closing in accordance with the statement of adjustments, to be paid to the order of the Purchaser or as the Purchase may in writing further direct.
- (c) An assignment of leases of the Building.
- (d) A certificate of an Officer of the Vendor confirming the amount of prepaid rent, warranties and representations contained in this Agreement, and confirming the amount of prepaid rent and/or security deposit paid by each of the respective

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tenants, confirming the date of last payment of rent and the amount thereof paid by each respective tenant, and confirming that the respective leases have not been amended or varied.

- (e) A Bill of Sale for the chattels and equipment forming part of the purchase price herein.
 - (f) Assignment of all warranties (provided they can be assigned), if any, as to construction of the Building and improvements.
 - (g) Original executed copies of all current maintenance contracts, in the Vendor's possession, which are assumed by the Purchaser, if any together with an assignment thereof in favor of the Purchaser. These may be left on site and shall be part of the due diligence materials.
 - (h) An undertaking to readjust all items or omissions contained in the Statement of Adjustments.
 - (i) Any postdated cheques in the Vendor's possession, endorsed in favour of the Purchaser.
 - (j) The Vendor's keys to the Building, including Master Keys.
 - (k) A certificate of an Officer of the Vendor confirming that all accounts for material, and labour supplied to the Property have been paid in full and that no one is entitled to a construction within the meaning of the Constructions Lien Act R.S.O. 1990 and amendments thereto.
 - (l) A Certificate of an Officer of the Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of s. 116 of the Income Tax Act (Canada);
7. Purchaser agrees that this Agreement shall be irrevocable by it until 5:00 p.m. on the AUGUST 19TH, 2005, after which time, if not accepted, this Agreement shall be null and void and the deposit shall be returned to Purchaser with interest, if any, and without deduction.
8. Purchaser shall be allowed until ten (10) days before closing to examine the title to the Property at its own expense and to satisfy itself that there are no outstanding work orders affecting the Property.
9. This Agreement shall be completed on the 31ST day of OCTOBER, 2005, (the "Closing Date"). Upon completion, possession of the Property shall be given to the Purchaser, subject to existing leases and tenancies. Upon termination, all deposits shall be returned to the Purchaser, if the Purchaser is not in default, and the parties shall have no further rights or obligations hereunder, provided that the Purchaser shall return all due diligence materials to the Vendor.
10. Title to the Property shall be good and marketable in fee simple, free from all easements, encroachments, rights-of-way and liens, claims and encumbrances whatsoever (including local improvement charges), except for those permitted encumbrances listed on the attached Schedule and except for any restrictions, covenants, or easements granted for the installation and maintenance of sewers, water, telephone, gas or underground hydro services to operate the Property, provided that such restrictions, covenants, or easements are not in conflict with any of the terms and conditions herein contained and do materially not interfere with the Property and the

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use thereof by tenants. If within the time allowed for examining the title any valid objection to title, or to any outstanding work order is made in writing to Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which Purchaser will not waive, this Agreement, notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies theretofore paid shall be returned with interest earned thereon and without deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.

11. Save as otherwise set out herein, the Purchaser shall not call for the production of any title deed, abstract, or other evidence of title to the Property except such as are in the possession of the Vendor.
12. This Agreement is subject to compliance with the provisions of the Planning Act, S.O. 1983 and amendments thereto, and if required there under, the Vendor covenants that it shall make any and all applications to, and obtain any and all consents required from the relevant body authorized to give such consents required from the relevant body authorized to give such consents by virtue of Section 49(I) of the Planning Act, all at its own expense, and shall proceed in that regard forthwith after the execution of this agreement, diligently, utilizing its best efforts throughout, and shall at all times keep the Purchaser and its solicitors advised as to progress there under.
13. Upon acceptance hereof, and subject to the rights of the tenants and upon reasonable notice to the Vendor, the Vendor agrees to allow the Purchaser, its agents, engineers, surveyors and consultants access to the Property for the purpose of inspecting the Property and the progress of the Project. Any such entry by or on behalf of the Purchaser shall not be considered to be an acceptance by the Purchaser of the Property or title thereto, and shall not constitute waiver of any of the conditions accruing to the benefit of the Purchaser pursuant to paragraph 4 and/or paragraph 5 hereof. Purchaser and its agents agree to keep all information confidential. The Purchaser agrees to indemnify and save harmless the Vendor for any and all damage done to the property in connection with the Purchaser's right to enter, including any damages or claims arising with respect to any third party as a result of the Purchaser exercising its right of entry.
14. In this agreement, the "date of execution" or "date of this agreement" shall mean the date of acceptance by the Vendor or, in the alternative, if this agreement is subject to counter-offers, then the date upon which the final acceptance of any counter-offer is indicated.
15. If the Closing Date shall fall upon a day on which the relevant Land Registry Office is not open for business, then the Closing Date shall be the next day when the Land Registry Office is open.
16. All documents required to be produced by the Vendor at the Closing Date shall be prepared and produced by it, in duplicate and at its expense, save that the cost of registering any such document which shall be at the Purchaser's expense and vice-versa. Any tender of money or documents pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque, certified by a Canadian chartered bank.
17. Realty taxes, rents, mortgage interest (if being assumed), public or private utilities and fuel, water and assessment rates, all payments under any contracts being assumed by

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the Purchaser, fire insurance premiums, and all other matters usually adjusted in similar transactions are to be apportioned and allowed to the Closing Date, the day of closing itself to be apportioned to the Purchaser;

- 18. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.
- 19. This Agreement shall constitute the entire agreement between Purchaser and Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
- 20. Any notice to be given or document to be delivered to the Vendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at:

York Region Realty Inc.,
 37 Sandiford Drive, Suite 302
 Stouffville, Ontario
 L4A 7X5
 Attention: Courtney Wallis Simpsn, Broker
 Telephone: 905-640-7653
 Fax: 905-642-6423

Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at:

Attention: YORK REGION REALTY INC.
 (phone) (905) 640-7653
 (fax) (905) 642-6423

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second business day next following the day of mailing if sent by prepaid registered mail (provided that those days upon which there occurs a mail strike or similar disruption shall not, for the purposes of this provision be considered a day on account of delivery for the purposes hereof).

- 21. This Agreement shall be read with all changes of gender and number required by the context and shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors, executors and assigns.
- 22. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.
- 23. If any of the terms, conditions or provisions herein contained shall be held or deemed invalid or unenforceable by a court of competent jurisdiction, such terms, conditions and provisions shall be severable and shall not affect the validity of any other terms, conditions and provisions herein contained or the entirety of this Agreement.

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24. The parties hereto shall execute such further and other assurances, instruments and documents and do all such other things and acts which may be necessary or proper for carrying out the purpose and intent of this Agreement.
25. This Agreement when accepted by the Vendor by execution hereof shall constitute a binding agreement of purchase and sale. Acceptance of this Agreement by facsimile transmission shall be deemed to be a valid acceptance as if executed in the original.
26. The schedules attached to this Agreement and initialed by the parties, shall have the same force and effect as if the information contained therein was contained in the body of this Agreement.
27. The parties hereto agree that the Purchase Price shall be allocated as follows: as agreed upon by both parties' accountants, acting reasonably.
28. The words "hereof", "herein", "hereunder" and similar expressions used in any section, subsection or article of this agreement relate to the whole of this agreement and not to that section, subsection, or article only, unless otherwise expressly provided.
29. G.S.T. is payable in addition to the purchase price. In the event that the Purchaser is a registrant pursuant to the *Excise Tax Act (Canada)*, it agrees to provide to the Vendor on or before the completion date, a Declaration confirming that the Purchaser is a registrant, setting out the Purchaser's registration number and undertaking to self-assess for G.S.T. purposes and save harmless the Vendor for any liability for so doing.
30. Until completion of sale the Building and equipment on the property shall be and remain at the risk of the Vendor until closing and the Vendor will hold all policies of insurance affected on the property and the proceeds thereof in trust for the parties hereto, as their interests may appear.
31. The Purchaser acknowledges that registration against title to the Land of any notice or caution or other reference to this Agreement or his or her interest in the Land is likely to cause inconvenience and prejudice to the Vendor, for example, by impeding financing. If any such registration occurs, the Vendor may terminate this Agreement forthwith. Further, the Purchaser hereby irrevocably consents to a court order removing such registration and agrees to pay all costs of obtaining such order.
32. All deposits to be held in an interest bearing account with interest payable to the Purchaser upon completion or other termination of this agreement.
33. It is agreed that upon acceptance of this offer the vendor shall not enter into any new lease or sub-lease contract or negotiations without full disclosure to the purchaser and without purchaser's written consent. It is further agreed that Purchaser's consent shall not be unreasonably withheld. It is acknowledged that at this time the Vendor intends to work towards negotiations for execution of a lease with the Royal Bank of Canada and/or Dairy Queen Corporation based on interest they have expressed on the property. Upon acceptance Vendor agrees to forward to the Purchaser all information and/or notices pertaining to the interest expressed by these parties.
34. Vendor to guarantee the net rental income of the property is at \$200,000.00 per year for the first 24 months following completion of this Agreement Of Purchase and Sale.

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17th Aug
DATED at Richmond Hill this ~~10th~~ day of ~~July~~, 2005.

IN WITNESS WHEREOF we have hereunto set our hands and seals.

[Signature]

Witness

Per: *[Signature]*

for 200731 Ontario LTD

The undersigned accepts the above Offer..

Dated at Toronto, this 17 day of Aug, 2005

IN WITNESS WHEREOF we have hereunto set our hands and seals.

1008522 Ontario Limited

[Signature]

Witness

Per: *[Signature]*

Name:
Title: Authorized Signing Office

SCHEDULE 'A'

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SUNOCO PLAZA
5946 MAIN STREET, STOUFFVILLE

PLAZA APPROXIMATELY 8,000 SQUARE FEET

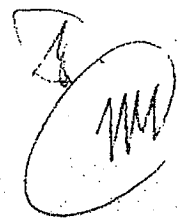
<u>SIZE</u>	<u>TENANT</u>	<u>LEASE</u>	<u>AMOUNT PER SQ.FT.</u>	<u>NET INCOME</u>
1000	CADET CLEANERS	5+5 YEARS	\$20.00/SQ.FT.	\$20,000.00
3000	SUNOCO/MACS MILK	10+10 YEARS	\$33.50/SQ.FT.	\$100,500.00
2001	H&R BLOCK	5+5 YEARS	\$20.00/SQ.FT.	\$40,020.00
2000	WILD WING	5+5 YEARS	\$20.00/SQ.FT.	\$40,000.00
8001 SQ.FT.			NET INCOME	\$200,520.00
			T.M.I. @ 6.00 PER SQ.FT.	\$48,006.00
			GROSS INCOME:	\$248,526.00

*ALL LEASES RENEWED SEPTEMBER 2004

*WILD WING LEASE COMMENCED MAY 2005

*SUNOCO PAYS A HIGHER NET RENT OF \$33.50 PER SQ.FT. BUT NO ROYALTIES ON GASOLINE

*T.M.I. INCOME OF \$48,000 COVERS ALL TAXES, MAINTENANCE AND INSURANCE AND INCLUDES AN OWNER'S MANAGEMENT FEE OF APPROXIMATELY \$15,000 PER YEAR.



TAB B

PAID TO THE ORDER OF York Region Realty Inc trust \$ 200000

17 Aug 19 05 156

PARAMA LITHUANIAN CREDIT UNION LIMITED
 1573 BLOOR STREET WEST
 TORONTO, ONTARIO M5P 1A6
 Tel: 962-1149 www.parama.ca

PARAMA LITHUANIAN CREDIT UNION LIMITED
 07802-828
 AUG 19 2005
 1573 BLOOR STREET WEST
 TORONTO ONT
 07902-828

FOR \$

RE

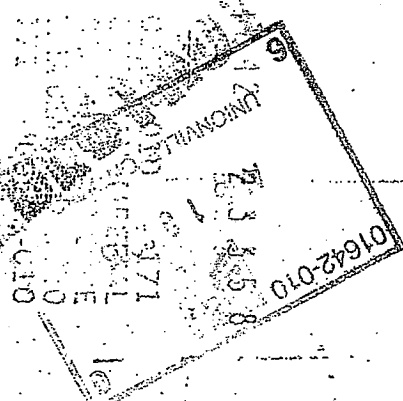
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1904817

CIBC
TORONTO PROCESSING CTR
49/18/45

CIBC DATA CENTRE
TORONTO ONTARIO



THIS IS EXHIBIT B ATTACH
 TO THE AFFIDAVIT OF
Richard Kwagniewicz
 SWORN November 16, 2005
[Signature]
 A COMMISSIONER

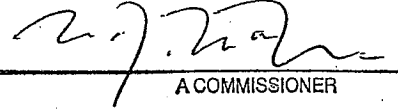
M. JOANNE MacMILLAN

TAB C

TO THE AFFIDAVIT OF

Richard Kwasiemicz 15

SWORN November 16, 2005


A COMMISSIONER

MUTUAL RELEASE

BETWEEN:

PURCHASER: 2007311 ONTARIO LIMITED

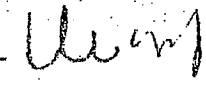
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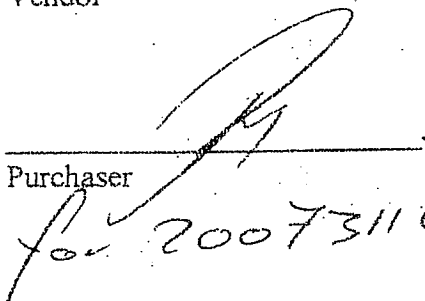
VENDOR: 1008522 ONTARIO LIMITED

M. JOANNE MacMILLAN

It is acknowledged and agreed that the above noted parties hereby release one another from the Agreement of Purchase and Sale dated August 17, 2005. It is acknowledged that the deposit shall be returned, with interest, payable to:

Dated in Stouffville this 23rd day of August, 2005

Vendor 

Purchaser

for 2007311 Ontario LTD

TAB D

[Signature]

A COMMISSIONER

M. JOANNE MacMILLAN

0185

YORK REGION REALTY INC.
TRUST

1 - 28 SANDFORD ROAD
STOUFFVILLE, ONTARIO L4A 7X5
Tel: (905) 848-7683 Fax: (905) 842-6423

AL 9/25 5/05
DATE

\$ 209,300

100 DOLLARS

YORK REGION REALTY INC.
TRUST

2007311 ONTARIO LTD

TWO HUNDRED DOLLARS

CANADIAN IMPERIAL BANK OF COMMERCE
BRANCHES
4380 HWY. #7
UNIONVILLE, ONT. L3R 1L5



[Signature]
PER

#000185# 801662#0101# 19#01#17#

0186

YORK REGION REALTY INC.
TRUST

1 - 28 SANDFORD ROAD
STOUFFVILLE, ONTARIO L4A 7X5
Tel: (905) 848-7683 Fax: (905) 842-6423

AL 9/25 5/05
DATE

\$ 584

100 DOLLARS

YORK REGION REALTY INC.
TRUST

AL RICHARD KWACNICWICZ

FIFTY EIGHT DOLLARS

CANADIAN IMPERIAL BANK OF COMMERCE
BRANCHES
4380 HWY. #7
UNIONVILLE, ONT. L3R 1L5



[Signature]
PER

#000186# 801662#0101# 19#01#17#

TAB E

Richard Kwasiwicz 150
SWORN November 16, 2009

AGREEMENT OF PURCHASE AND SALE

5282, 5270, 5266 & 5316 Main Street, Stouffville, Ontario

(This Agreement)

PURCHASER: 2007311 Ontario L.T.D. (PK)
VENDOR: MARIO GRACO

M. JOANNE MacMILLAN
A COMMISSIONER

to purchase the following property through:

PROPERTY All and singular that certain parcel or tract of land and premises situate, lying and being in the Township of Whitchurch-Stouffville, Ontario, municipally described as 5282, 5270, 5266, 5316 MAIN STREET, STOUFFVILLE forming part hereof upon which there is presently constructed and there are also three multi-tenant retail building and three free standing residential cottages occupied by three tenants together with other associated improvements (the "Building"), the said lands, described legibly as part of the west half of lot 1, concession 5, designated as part 1, plan 6SR-1038, Town of Whitchurch-Stouffville, PIN 03719-0087, Part of lot 1, concession 5, Town of Whitchurch-Stouffville as in 492 122 13 PIN 03719-0088 (LT), Part of west half of lot 1, concession 5, town of Whitchurch-Stouffville as in 492 122 14 PIN 03719-0089 (LT), Part of lot 1, Concession 5, as in 492 122 15, Town of Whitchurch-Stouffville as in 492 122 16 PIN 03719-0090 (LT) as shown on the sketch attached herewith and hereinafter sometimes referred to as the "Property" for the purchase price of (\$5,287,318.91) FIVE MILLION TWO HUNDRED EIGHTY SEVEN THOUSAND THREE HUNDRED AND TWELVE DOLLARS AND SIXTY ONE CENTS on the terms and conditions hereinafter set out:

- 1. Purchaser agrees to deliver to York Region Realty Inc. in trust, a cheque in the amount of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00), herewith, as a deposit to be held by them in trust and to be credited towards the Purchase Price on completion.
- 2. The balance of the Purchase Price to be paid in full by cash or certified cheque upon receipt, delivered to the Vendor's solicitor or as directed.
- 3. The Vendor agrees to deliver the following (the "Source Documents") to the Purchaser within five (5) business days following acceptance hereof by the Vendor:
 - 3.1. Such consents and authorizations as the Purchaser may reasonably require so that information regarding the Property may be released and so that resolutions may be made by any governmental authority having jurisdiction over the Property and further permitting the release of any relevant information concerning this Property, to the Purchaser or its solicitors, by such governmental authority.
 - 3.2. Copies of all leases in the Vendor's possession or control, of any plus particulars of all month to month tenancies. All leases are month to month only.
 - 3.3. A survey showing all the lands and buildings.

This Offer and the Agreement resulting from the acceptance thereof shall be conditional on each and every one of the following:

- (i) The Purchaser or its nominee inspecting the Property and the Purchase being satisfied in its sole determination, with the condition of the Property and all components thereof, and the proposed uses thereon all within the sole and absolute discretion of the Purchaser.
- (ii) The Purchaser or the Purchaser's agent obtaining a first mortgage satisfactory to the Purchaser in their sole discretion, and the Purchaser hereby agrees to provide such information as the Mortgagee reasonably requires.
- (iii) This Offer is conditional upon the Purchaser's solicitor approving all terms and conditions of this offer at his sole and absolute discretion ~~within 48 hours~~ after acceptance of this agreement. It is agreed that if the purchaser's solicitor is not satisfied with the terms and conditions hereof, this offer shall be null and void and the deposit shall be returned to the purchaser without deduction.

Conditions (i), (ii) & (iii), are not satisfied or waived by the 48th day after acceptance of this offer by the Purchaser, for whose sole benefit the condition has been inserted and who after having the sole right to waive same, then such condition shall be deemed not to have been satisfied or waived and this Agreement, without any further act or formality shall be of no effect.

(PK)

and of no further force and effect, and the Vendor shall forthwith return or cause to be returned to the Purchaser the deposits paid hereunder with interest and without deduction, and neither party shall have any further rights or obligations hereunder.

5. The Vendor covenants, warrants and represents to the best of the Vendor's knowledge and belief, as follows:

- (a) That the Buildings and houses are occupied by and leased to tenants as set out in the annex to be provided in paragraph 6 hereto, and that all tenants are properly notified in accordance with the provisions of the respective tenancy agreements, and that no commercial tenants have given notice to the Vendor of an intention to assign or terminate their leases or otherwise part with possession of their respective premises and that all leases and tenancies may be terminated on one month's notice.
- (b) That the Vendor has not received any written notice (nor is it aware of any claim or potential claim) from any of the tenants advising of any default by the Vendor in respect of its obligations under the said respective leases which have not already been remedied by the Vendor, and that the Vendor has not yet received any written notice from any tenant advising of any claim or set off or impending claim or respect to its leases, and no such claim or set off, current or pending, exists. If any such notice is received by the Vendor prior to closing, the Vendor shall promptly notify the Purchaser and shall remedy the default complained of prior to the closing date.
- (c) The Vendor shall operate, maintain and manage the Property to the Closing Date and shall carry on the business operations in the usual and ordinary course as before a prudent owner. The Vendor will not assign or accept a surrender or permit an assignment of any leases or tenancies affecting the Property, other than in the ordinary course of business as before a prudent owner, nor shall the Vendor enter into any new leases, agreements to lease or finalize the negotiations of any renewed leases, other than in the ordinary course of business as before a prudent owner.
- (d) That there are not now and the Vendor has no knowledge and has not received notice of any expropriation or any pending or threatened litigation or other judicial or administrative proceeding affecting the Property, including without limitation, in any way relating to the use and occupation of the Property, nor any claims adverse to the title to the Vendor and further that there will not as of closing date be any work orders outstanding against the property or any part thereof.
- (e) As of the Closing Date, there shall be no listing agreement outstanding or pending to which any real estate broker has been granted the right to lease out space in the Building. All rental or real estate commission now owed with respect to the leases and tenancy agreements shall have been paid in full by the Vendor on or before the Closing Date.
- (f) There shall be no change in the status of the warranties and representations from the waiver date to the Date of Closing.

6. The Vendor covenants and agrees to deliver to the Purchaser, on or before closing, all documentation to which the Purchaser is entitled hereunder, including, without limiting the generality of the foregoing:

- (a) Transfer/Deed of Land to the Purchaser, or whomsoever the purchaser may demand, in compliance with Section 40 of the Planning Act of Ontario. If requested by the Purchaser, Vendor covenants that the Transfer/Deed shall contain the statements contemplated by clauses 40(21a)(e) and (b) of the Planning Act, 1997 and shall leave box 4 of the Transfer/Deed blank if so requested by the Purchaser.
- (b) The original executed copies of the leases herein referred to together with direction executed under the Corporate Seal of the Vendor to each of the tenants authorizing and directing all rental and other payments due from and after the closing in accordance with the statement of adjustments, to be paid to the order of the Purchaser or as the Purchaser may in writing further direct.
- (c) An assignment of leases of the Building.
- (d) A certificate of an Officer of the Vendor confirming the amount of prepaid rent, with terms

and representations contained in this Agreement, and confirming the amount of deposit and/or security deposit held by each of the respective tenants, confirming the date of last payment of rent and the amount thereof paid by each respective tenant and confirming that the respective leases have not been amended or varied.

- (i) The chattels and equipment forming part of the purchase price herein
- (ii) Assignment of all warranties (provided they can be assigned), if any, as to construction of the Building and improvements.
- (iii) Original executed copies of all current maintenance contracts in the Vendor's possession, which are assumed by the Purchaser, if any, together with an assignment thereof in favor of the Purchaser. These may be left on site and shall be part of the due diligence materials.
- (iv) An undertaking to rectify all items or omissions contained in the Statement of Adjustments
- (v) Any outstanding cheques in the Vendor's possession, endorsed in favour of the Purchaser.
- (vi) The Vendor's keys to the Building, including Master Keys
- (vii) A certificate of an Officer of the Vendor confirming that all accounts for material and labour supplied to the Property have been paid in full and that no one is entitled to a construction lien within the meaning of the Construction Lien Act R.S.O. 1990 and amendments thereto.
- (viii) A Certificate of an Officer of the Vendor confirming that the Vendor is not a non-resident of Canada within the meaning of s. 116 of the Income Tax Act (Canada)

Purchaser agrees that this Agreement shall be irrevocable by both parties on the 30th day of September, 2005, after which date, if not accepted, this Agreement may be null and void and the deposit shall be returned to Purchaser with interest, if any, and without deduction unless both parties agree to extend the irrevocable date.

Purchaser shall be advised within (10) days before closing to examine the title to the Property at his own expense and to satisfy himself that there are no outstanding work orders affecting the Property.

This Agreement shall be completed on the 30th day of November, 2005 ("Closing Date"). Upon completion, possession of the Property shall be given to the Purchaser, subject to existing leases and tenancies. Upon termination or deposit shall be returned to the Purchaser, if the Purchaser is not in default, and the parties shall have no further rights or obligations hereunder, provided that the Purchaser shall return all due diligence materials to the Vendor.

Title to the Property shall be good and marketable in fee simple, free from all easements, encroachments, rights-of-way (not including any necessary town utilities) and liens, claims and encumbrances whatsoever (including local improvement charges), except for those permitted encumbrances listed on the attached Schedule B within the time allowed for examining the title and valid objection to title, or to any outstanding work order to be made in writing to Vendor and which Vendor is unable or unwilling to remove, remedy or satisfy and which Purchaser has not waived in this Agreement, notwithstanding any otherwise acts or omissions in respect of such conditions, shall be at an end and all monies theretofore paid shall be returned with interest, earned thereon and without deduction and Vendor shall not be liable for any costs or damages. Save as to any valid objection as made by such day and except for any objection, going to the root of the title, Purchaser shall be conclusively deemed to have accepted Vendor's title to the Property.

Save as otherwise set out herein, the Purchaser shall not call for the production of any title deed, abstract, or other evidence of title to the Property except such as are in the possession of the Vendor.

This Agreement is subject to compliance with the provisions of the Planning Act, S.O. 1995 and amendments thereto, and if required thereunder, the Vendor covenants that it shall make any, and all applications to, and obtain any and all consents required from the relevant body authorized to give such consents required from the relevant body authorized to give such consents by virtue of Section 49(1) of the Planning Act, all at its own expense, and shall proceed to that regard forthwith after the execution of this agreement, diligently utilizing its best efforts throughout, and shall at all times keep the Purchaser and its solicitors advised as to progress thereunder.

(Handwritten initials)
R.K.
M.P.

- 13. Upon acceptance hereof, and subject to the rights of the tenants and upon reasonable notice to the Vendor, the Vendor agrees to allow the Purchaser, its agents, engineers, surveyors and consultants access to the Property for the purpose of inspecting the Property and the progress of the Project. Any such entry by or on behalf of the Purchaser shall not be considered to be an acceptance by the Purchaser of the Property or title thereto, and shall not constitute a waiver of any of the conditions reciting to the benefit of the Purchaser pursuant to paragraph 4 and/or paragraph 5 herof. Purchaser and its Agents agree to keep all information confidential. The Purchaser agrees to indemnify and save harmless the Vendor for any and all damages or claims the Property in connection with the Purchaser's right to enter, including any damages or claims arising with respect to any third party as a result of the Purchaser exercising its right of entry.
- 14. In this agreement, the "date of execution" or "date of this agreement" shall mean the date of acceptance by the Vendor or, in the alternative, if this agreement is subject to counter-offers, then the date upon which the final acceptance of any counter-offer is indicated.
- 15. If the Closing Date shall fall upon a day on which the relevant Land Registry Office is not open for business, then the Closing Date shall be the next day when the Land Registry Office is open.
- 16. All documents required to be produced by the Vendor at the Closing Date shall be prepared and produced by it, in duplicate and at its expense, save that the cost of registering any such document which shall be at the Purchaser's expense and vice-versa. Any tender of money or documents pursuant to this Agreement may be made either on the Vendor or the Purchaser or their respective solicitors and money may be tendered by negotiable cheque, certified by a Canadian chartered bank.
- 17. Realty taxes, rents, mortgage interest (if being assumed), public or private utilities and fire, water and assessment rates, all payments under any contracts being assumed by the Purchaser, fire insurance premiums, and all other matters usually equated in similar transactions are to be apportioned and allowed to the Closing Date, the day of closing there to be apportioned to the Purchaser.
- 18. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abrogated by an agreement in writing signed by Vendor and Purchaser or by their respective solicitors who are hereby expressly approved in this regard.
- 19. This Agreement shall constitute the entire agreement between Purchaser and Vendor and there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Property or supported hereby other than as expressed herein in writing.
- 20. Any notice to be given or document to be delivered to the Vendor pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at:

York Region Realty Inc.,
 28 Sandford Drive, Suite 1
 Stouffville, Ontario
 L4A 7X5

Telephone: 905-640-7653
 Fax: 905-642-6423

Any notice to be given or document to be delivered to the Purchaser pursuant to this Agreement shall be sufficient if delivered personally or sent by prepaid registered mail to it at

Attention: Courtney Wells Simpson (Broker)

~~(address)~~
~~(city)~~
~~(state/province)~~
~~(postal code)~~
~~(country)~~

Stouffville
 Mr. Boguski
 905-206-1757 **RK**

Any written notice or delivery of documents given in this manner shall be deemed to have been given and received on the day of delivery if delivered personally or on the second business day next following the day of mailing if sent by prepaid registered mail (provided that those days upon which there occurs a mail strike or similar disruption shall not, for the purposes of this provision be considered a day on account of delivery for the purposes hereof)

- 21. This Agreement shall be read with all changes of gender and number required by the context and shall accrue to the benefit of and be binding upon the parties hereto and their respective

RK
 [Signature]

their administrators, successors, executors and assigns.

- 22. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.
- 23. If any of the terms, conditions or provisions herein contained shall be held to be void or unenforceable by a court of competent jurisdiction, such terms, conditions and provisions shall be severable and shall not affect the validity of any other terms, conditions and provisions herein contained or the entirety of this Agreement.
- 24. The parties hereto shall execute such further and other instruments, instructions and documents and do all such other things and acts which may be necessary or proper for carrying out the purpose and intent of this Agreement.
- 25. This Agreement when accepted by the Vendor by execution hereof shall constitute a binding agreement of purchase and sale. Acceptance of this Agreement by receipt transmission shall be deemed to be a valid acceptance as if enclosed in the original.
- 26. The schedules attached to this Agreement and initialed by the parties, shall have the same force and effect as if the information contained therein was contained in the text of this Agreement.
- 27. The parties herein agree that the Purchase Price shall be apportioned as follows as agreed upon by both parties' accountants, acting reasonably.
- 28. The words "hereof", "herein", "hereunder" and similar expressions used in any section, subsection or article of this agreement refers to the whole of this agreement and not to that section, subsection or article only, unless otherwise expressly provided.
- 29. G.S.T. is payable in addition to the purchase price. In the event that the Purchaser is a registrant pursuant to the Excise Tax Act (Canada), it agrees to provide to the Vendor on or before the completion date, a Declaration confirming that the Purchaser is a registrant setting out the Purchaser's registration number and undertaking to answer for G.S.T. purposes and waive his/her the Vendor for any liability for so doing.
- 30. Until completion of sale the Building and equipment on the property shall be and remain at the risk of the Vendor until closing and the Vendor will hold in policy of insurance erected on the property and its contents thereof in trust for the parties hereto, as their interests may appear.
- 31. The Purchaser acknowledges that registration against title to the Land of any notice of caution or other reference to this Agreement or his or her interest in the Land is likely to cause inconvenience and prejudice to the Vendor, for example, by impeding financing. If any such registration occurs, the Vendor may terminate this Agreement forthwith. Further, the Purchaser hereby irrevocably consents to a court order removing such registration and agrees to pay all costs of obtaining such order.
- 32. All deposits to be held in an interest bearing account with interest payable to the Purchaser upon completion, or upon termination of this agreement.
- 33. It is agreed that upon acceptance of this offer the Vendor shall not enter into any new lease or sub-lease contract or negotiations without full disclosure to the purchaser and without purchaser's written consent. It is further agreed that Purchaser's consent shall not be unreasonably withheld. Upon acceptance of any new lease or variation in existing lease terms or conditions, the Vendor agrees to forward the agreement to the purchaser or the purchaser's agent.
- 34. The Buyer shall have the right at any time prior to closing, to assign the within Offer to any person, persons or corporation, either existing or to be incorporated, and upon delivery to the Seller of notice of such assignment, together with the assignment agreement in favour of the Seller to be bound hereby as Buyer, the Buyer herein before named shall cause release from all further liability hereunder.

PK
10/1

DATED at Toronto this 1st day of September 2001.

IN WITNESS WHEREOF we have hereunto set our hands and seals

[Signature]
Witness

Per: [Signature]
for 2007311 Ontario LTD

The undersigned accepts the above Offer.

Dated at Toronto, this 1st day of September 2001.

IN WITNESS WHEREOF we have hereunto set our hands and seals:

[Signature]
Witness

Per: [Signature]
Name: _____
Title: Authorized Signing Officer

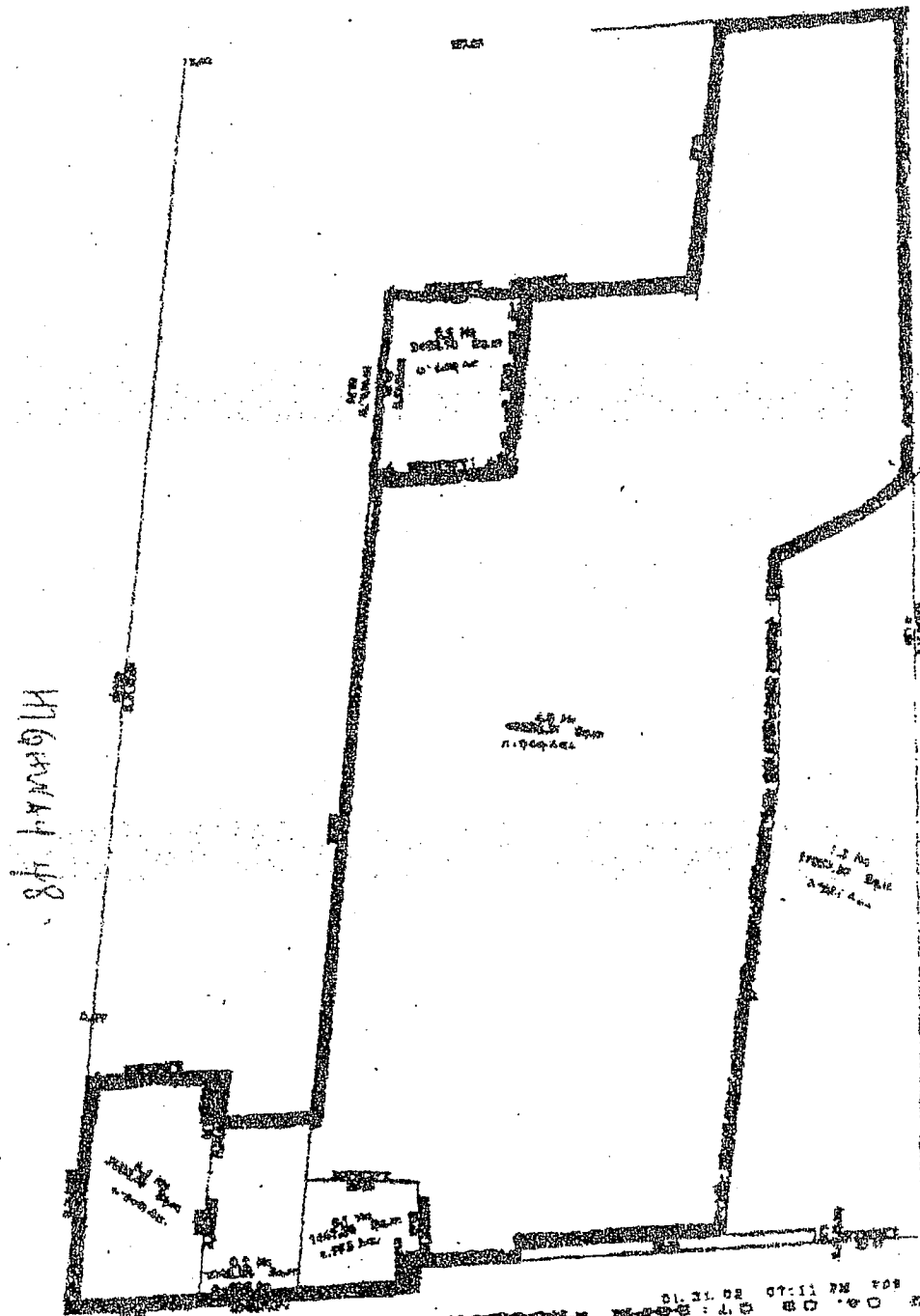
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Schedule "B"
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19

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HIGHWAY 48 / STOUFFVILLE

SCHEDULE "B"
(continued)



NO 8

01.21.02 07:11 PM 408

STOUFFVILLE ROAD

771

RK

EXHIBIT "F"

THIS IS EXHIBIT F ATTACHED

166

TO THE AFFIDAVIT OF

Richard Kwaghiewicz

SWORN November 16, 2005

[Signature]

A COMMISSIONER

M. JOANNE MacMILLAN

2007311 ONTARIO LTD

Account No: 15251

107

PAY TO THE ORDER OF

York Region Realty Inc - Trust
Two hundred thousand

25 07802-028-2005

PARAMA LITHUANIAN CREDIT UNION LIMITED
SEP 06 2005
1573 BLOOR ST. WEST
TORONTO, ONT.
07802-028

PARAMA LITHUANIAN CREDIT UNION LIMITED
1573 BLOOR STREET WEST
TORONTO, ONTARIO M6P 1A6
416 532-1149 www.parama.ca

DOLLARS

RE 5762-6318 Main St. St.

PER

PER

0707

07802 828

0015251 211

0020000000

01142-1904817

CTBC
TORONTO PROCESSING CTR
09/26/05

01642-010
SEP - 2 2005
4300 HIGHWAY 7
BURNHAMTHORPE, ONTARIO
01642-010

SEP - 2 05

01642-010
SEP - 2 05
CTBC
TORONTO
CENTRE
TORONTO, ONTARIO

1642 26618

EXHIBIT "G"

THIS IS EXHIBIT 9 ATTACHED
TO THE AFFIDAVIT OF
Richard Kwagniewicz
SWORN November 16, 2009

167

Toronto
Real Estate
Board

CREA Ontario
Real Estate
Association

Mutual Release

M. JOANNE MacMILLAN
A COMMISSIONER

2007311 Ontario LTD

VEEN:
ER:
LD

ER: MARCO G. M. R. A.

YORK REGION REALTY INC.
(Co-operating Broker)

AGENT (Listing Broker)

Agreement of Purchase and Sale between the Seller and Buyer, accepted this _____ day of _____

concerning the property known as: 5752 MAIN STREET, S. THURFILL

more particularly described in the aforementioned Agreement of Purchase and Sale.

We, the Buyers and the Sellers in the above noted transaction hereby acknowledge that the above described transaction is terminated and release each other and the Agent in the proposed transaction, from all liabilities, covenants, obligations, claims and sums of money arising out of the above Agreement of Purchase and Sale other with any rights and causes of action that each party may have had against the other and/or the Agent, and we direct the deposit holder to disburse the deposit of:

Two Hundred Thousand Dollars Canadian Dollars (\$Can. 200,000)

as follows: RICHARD KWAGNIEWICZ

The Agent hereby releases both parties from any claim that the agent may have had for commission or other remuneration in the above transaction, except as be hereinbefore specifically provided.

For the purposes of this Mutual Release, "Buyer" includes purchaser, tenant, and lessee, and "Seller" includes vendor, landlord, and lessor, and "Agreement of Purchase and Sale" includes an Agreement to Lease.

This release shall be binding upon the heirs, executors, administrators and assigns of all the parties executing same.

SIGNED at Toronto this 19 day of OCTOBER 2009

SIGNED, SEALED AND DELIVERED in the presence of:
Witness) [Signature] (Buyer)
Witness) [Signature] (Buyer)

DATE OCT 21 2009
(Seal)
DATE
(Seal)

SIGNED at _____ this _____ day of _____ 20____

SIGNED, SEALED AND DELIVERED in the presence of:
Witness) [Signature] (Seller)
Witness) [Signature] (Seller)

DATE _____
(Seal)
DATE _____
(Seal)

SIGNED, SEALED AND DELIVERED in the presence of:

Witness) _____ (Listing Broker/Manager)
Witness) _____ (Listing Broker/Manager)

DATE _____
(Seal)
DATE _____
(Seal)

EXHIBIT "H"

THIS IS EXHIBIT H ATTACHED

TO THE AFFIDAVIT OF

Richard Kwasniewicz

SWORN November 16, 2005

[Signature]
A COMMISSIONER

M. JOANNE MacMILLAN

YORK REGION REALTY INC.
REAL ESTATE TRUST ACCOUNT
6072 MAIN STREET
STOUFFVILLE, ONTARIO L4A 1B8
Tel: (905) 640-7653 Fax: (905) 642-6423

(16)


0193

DATE 27 10 2005
D D M M Y Y Y Y

PAY to RICHARD KWASNIEWICZ
the order of

\$ 200,567.21

Two hundred and five hundred sixty seven DOLLARS

BMO  Bank of Montreal
TIMES SQUARE BRANCH
550 HIGHWAY #7 EAST
RICHMOND HILL, ONTARIO L4B 3Z4

YORK REGION REALTY INC.
REAL ESTATE TRUST ACCOUNT

RE Highway 48 property unit 101



PER [Signature]

⑈000193⑈ ⑆34342⑈00⑆ 1011⑈758⑈

EXHIBIT "I"

JOHN PAUL EVANS, B.A., LL.B.
BARRISTER AND SOLICITOR
1420 BURNHAMTHORPE RD. EAST
SUITE 315
MISSISSAUGA, ONTARIO, CANADA L4X 2Z9

TELEPHONE (905) 624-5777
FAX (905) 624-8009
E-mail address john@jpevanslaw.ca

October 28, 2005

York Region Realty Inc.
6072 Main Street
Stouffville, Ontario
L4A 1B8

Attention: Courtney Wallis Simpson

Dear Ms. Simpson,

RE: 2007311 Ontario Ltd.
5262 Main Street, Stouffville
Richard Kwasniewicz

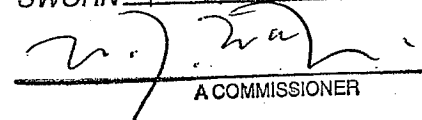
I represent the above referenced company and Mr. Kwasniewicz. My client has advised me that he executed an Agreement of Purchase and Sale for the purchase of 5262 Main Street Stouffville. As you are aware, my client exercised his right not to proceed with the agreement. In this regard I am advised that the vendor and purchaser signed a Mutual Release. I enclose a copy of Mutual Release for your reference. I am advised, however, that although the release was executed by the parties on October 21, 2005, you have not to date returned the \$200,000.00 deposit to my client which he paid as a deposit under the Agreement of Purchase and Sale. You apparently advised my client that the deposit will be returned on October 31, 2005 by 11:00 a.m. In my view, your delay in returning the deposit to my client forthwith upon the execution of the Mutual Release by all parties to the agreement is unlawful and contrary to the rules of the professional real estate association to which you belong.

I wish to confirm as follows:

- 1) That the Agreement of Purchase and Sale for the purchase of 5262 Main Street, Stouffville between Mario Greco (as seller) and 200731 Ontario Ltd. (as purchaser) dated September 1, 2005 has been terminated by the mutual agreement of both parties.
- 2) That the \$ 200,000.00 deposit that was paid on account of the purchase price was, and

302-101
Total of 11 pages
Att: Bruce
169
16/10/2005

THIS IS EXHIBIT 1 ATTAC
TO THE AFFIDAVIT OF
Richard Kwasniewicz
SWORN November 16, 2005


A COMMISSIONER

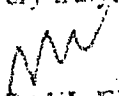
M. JOANNE MacMILLAN

continues to be, held in trust by York Region Realty Inc.

3) That the deposit together with all interest earned herein for a total of \$200,567.21 will be paid on or before 11:00 a.m on Monday October 31, 2005. In this regard a cheque in that amount dated October 27, 2005 issued to Mr. Kwasniewicz by York Region Realty Inc. will be replaced by a bank draft and/or a certified cheque. Upon delivery of the certified cheque or draft the cheque issued October 27, 2005 will be returned to you.

I'm instructed to advise you that unless the monies are returned as outlined herein, my client will commence all of the appropriate proceedings against you and your company.

Yours very truly,


JOHN PAUL EVANS
JPE:el

*** ERROR TX REPORT ***

171

TX FUNCTION WAS NOT COMPLETED

TX/RX NO 2621
CONNECTION TEL 19056426423
CONNECTION ID
ST. TIME 10/28 17:22
USAGE T 01'03
PGS. 1
RESULT NG

1

JOHN PAUL EVANS, B.A., LLB

BARRISTER & SOLICITOR

1420 Burnhamthorpe Road East, Suite 405

Mississauga, Ontario, Canada L4X 2Z9

Tel: 905-624-5777

Fax: 905-624-8009

E-mail address: john@jpevanslaw.ca

FAX COVER SHEET

DATE OCTOBER 28, 05
SENT TO: YORK REGION REALTY INC.
ATTENTION: COURTNEY WALLIS SIMPSON
FAX NUMBER: 905-642-6423
RE: 2007311 ONTARIO LTD (5262 MAIN STREET, STONEYVILLE)

5 Page(s) including cover sheet. If the transmission is unclear or incomplete, please call 905-624-5777 immediately.

SENT FROM: JOHN PAUL EVANS

BY: [Signature]

EXHIBIT "J"



Notice of Claim Consumer Deposit Insurance

Insurance Administrator
Real Estate Council of Ontario
3250 Bloor Street West
East Tower, Suite 600
Toronto, ON M8X 2X9
Phone: (416) 207-4800
Toll-free: 1-800-245-6910
Fax: (416) 207-4820

This form is provided for submissions of claims pursuant to the Consumer Deposit Insurance Policy and is without prejudice to the liability effected with certain Lloyd's Underwriters thereunder.

This Notice of Claim form should be completed by the Claimant and sent with attachments to the Real Estate Council of Ontario ("RECO") to the attention of the Insurance Administrator at the address noted above.

1 Identity of Claimant(s)

Name: <u>RICHARD KWASNIEWICZ</u>	S.I.N:
Residential Address: <u>3400 CEDAR CREEK DR. MISSISSAUGA ONTARIO</u>	
Postal Code: <u>L4Y 2Y1</u>	Telephone Number (Res.): <u>905-281-9475</u>
Business Address: <u>3400 CEDAR CREEK DR. ONTARIO</u>	
Postal Code: <u>L4Y 2Y1</u>	Telephone Number (Bus): <u>416-737-1564</u>

The Claimant(s) hereby applies for payment of a claim in the amount of : \$ 250,000**

* If this application is being submitted for more than one claimant please list the names and addresses of each claimant on the reverse side of this form.

**Details of which are set out in Paragraph 6 below.

2 Identity of Brokerage and Broker Holding Claimant's Deposit

Name of Broker: <u>COURTNEY WALLIS SIMPSON</u>		
Name of Brokerage: <u>YORK REGION REALTY INC.</u>		
Address of Brokerage: <u>6072 MAIN STREET STOUFFVILLE ONTARIO</u>		
Postal Code: <u>L4A 1B8</u>	Telephone Number: <u>905-640-7653</u>	Fax Number: <u>905-642-6423</u>

3 Details of Agreement of Purchase and Sale

Purchase Price: <u>5287312.61</u>
Municipal address of property being purchased/sold: <u>5262, 5270, 5286, 5318 MAIN ST STOUFFVILLE ONT.</u>
Name of Vendor(s): <u>MARIO GRECO</u>
Vendor's Solicitor (if known):
Name of Purchaser(s): <u>2007311 ONTARIO LTD</u>
Purchaser's Solicitor (if known):

(Attach photocopy of Agreement of Purchase and Sale and any amendments)

4 Date and amount of each deposit made by claimant pursuant to Agreement of Purchase and Sale

	Date	Amount*
Initial Deposit	<u>1 SEPT. 2005</u>	<u>20000,-</u>
Second Deposit	<u>14 Oct. 2005</u>	<u>5000,-</u>
Third Deposit		
Other Deposits**		
TOTAL (All Deposits):		<u>25000,-</u>

THIS IS EXHIBIT J ATTACHED
TO THE AFFIDAVIT OF
Richard KwASNIEWICZ

Attach photocopies of each receipt and/or cheque(s) -- front and back (if available) SWORN November 16, 2005

* If any other deposits made other than listed above please provide details on reverse side of this Proof of Loss form
[Signature]
COMMISSIONER

*AAH
Denis Rivard
Tot. 17 pages*

Attn: Dennis Rivard

RE. RICHARD KWASNIEWICZ missing page 1?

5. Location of Broker's Statutory Trust Account, if known.

Name of Bank: BANK OF MONTREAL 550 HIGHWAY #7 E.

Account No: 34342-001-1011-758

Address: 550 HIGHWAY #7 E RICHMONT HILL ONT L4B 374

6. Describe the reasons for the Broker's failure to return Claimant's Deposit, if known.

7. Date of Discovery of Loss

27 OCTOBER 2005

8. Describe circumstances surrounding Discovery of Loss

BEING IN BANK OF MONTREAL RICHMONT HILL BRUNCH THAT WAS NO MONEY ON ACCOUNTS. AND AGAIN WHEN PROMISED TO GET CERTIFIED CHEQUES ON 30 OCTOBS. WAS NO CALL NO SHOW OF BROCKER

9. Was Loss reported to police?

If so, date that Loss was reported to police

30 OCTOBER 2005

Name and Telephone Number of Investigating Police Officer

MIKE ELLIOT 905-881-1221 ex. 7245

10. Describe all efforts made by the Claimant to recover Deposit (e.g. any court proceedings which have been instituted, demand letters, face-to-face discussions) between the Claimant and the Broker relating to the Broker's failure to return the Claimant's deposit (use back of this page is necessary).

(Attach all documents or correspondence exchanged between the Claimant and the Broker with respect to this claim)

NUMEROUS CALLS NOT RETURNED, FEW FACE-TO-FACE MEETINGS, LETTER FROM LAWYER

11. The Claimant Hereby States that he/she is not aware of any claim or counterclaim by the broker or any other party which set off against the commission claimed herein.

NO

12. The Claimant(s) hereby authorizes the Real Estate Council of Ontario and the Insurer, their agents, employees and representatives to investigate this claim on his/her/their behalf and to solicit from any party including but not limited to Broker(s), Receiver(s), Financial Institution(s) or other party(ies) who may have in their possession, care or control records, materials, documents or other property relevant to this claim. The Claimant(s) hereby directs any part to whom this document is presented to disclose any records, materials, documents or other property relevant to this claim that may be in their possession, care or control of the Real Estate Council of Ontario and its Insurer, their agents, employees and representatives and to cooperate with their investigation.

Claimant's Signature

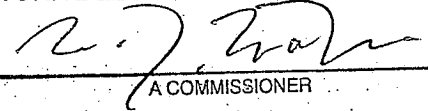
2 November 2005

Date

EXHIBIT "K"

THIS IS EXHIBIT k ATTACHED 4/17/05

TO THE AFFIDAVIT OF

Richard KwaznicwiczSWORN November 16, 2005
A COMMISSIONER**M. JOANNE MacMILLAN**

----- Original Message -----

From: Cwallissimpson@aol.comTo: jake@net-works.cc

Sent: Wednesday, November 09, 2005 3:20 AM

Subject: (no subject)

I just want everyone to know what is going on in terms of my "progress". I met with the Real Estate Council of Ontario and their lawyers today and gave them a list of everyone's name and phone number to whom is money is owed. They will quarterback the process, in conjunction with the York Region Police, to determine how we will pay everyone back. They have decided that I can sell my assets, which we will do immediately - the house is worth approx. \$650,000, the cottage is worth \$700,000 my lot is worth \$200,000 and my office building is worth \$650,000. There is a first of \$220,000 on the house and \$200,000 on the cottage. They will control all assets and distribute the proceeds in whatever manner they deem proper. All contents will all be sold and will be worth approx. \$100,000. Beyond that, I will be formally charged sometime this week and it will likely be 9 months to one year before I go to jail. It is my sole and complete objective during this time to earn however much I am able to start to pay back the difference. And I will.

I know how terribly hard it will be for so many of you to comprehend, but all I ever wanted to do was to help people. To make their lives better, to earn them money. I am 40 years old and I have a whole lot of life ahead of me, and with the knowledge and skills and talents I have, obscure as they may be, accompanied by the fact that I am now FINALLY at liberty to lead an honest life and not a dilusional spinning lie, I know that I will be able to succeed in making all of this right. It is going to be a long and bumpy road, and noone in the world is more sorry that I for all of the pain that I have caused to all of my friends and my family, but I am responsible for every single cent that every single one of you is expecting, and I will indeed keep my promise to all of you to fix this horrific, terrifying mess.

I suppose that some of life's lessons are learned in a much more difficult manner than others and this is certainly a tough one, but even though I am starting at complete ground zero, I am determined to conquer this mountain to give me, and all of you, and my family our lives back. I take full and complete responsibility for all of my actions. I am going to take whatever punishment lies ahead of me and I am going to take each and every lesson that this process presents to become a better person as a result of it. God knows why I was sent here to cause so much pain to so many people, but whatever the reason is I need you to recognize that noone is suffering more than I am. I live, 24 hours a day with the compounded pain of all of you and that alone fuels my determination to take this challenge and make things right. You were my friends and I love each one of you with all of my heart, and I will do everything I am able to do to protect you and your money and guide you through this process.

From the bottom of my heart I thank everyone of you that has offered me your love and support. I, more than anyone, do not deserve it, and it just floors me that any of you have such compassion and ability to forgive me after what I have done. I do not want forgiveness from anyone

175

until I have handed each one of you a cheque (that you can actually present at the bank and cash for a change), for every last cent I have promised. All I ask for right now is for you to believe in me, to stay behind me and help me scale that mountain. For you to say to yourselves in the back of your minds, "get out there and get this done". Because I will.

I am sorry, I am so terribly sorry, for the inconvenience, for the pain, for the enormous tangled web of lies that I embroiled everyone in. I just did not know what else to do or who to ask for help. And I knew that if the train crashed everyone would loose everything and I could not let that happen. But it is over now, and I am finally at liberty to take back that little person inside of me that is honest and giving and determined with all of the will in the world to make things right.

I will keep you posted as to what you should do to file the necessary claims in the necessary venues to make sure you are represented and compensated.

And if nothing else, I only ask that you please keep me, and my family, in your thoughts and your prayers during what will be one of the biggest challenges that any one person has ever faced. But I am prepared to face it.

And I WILL make it right. It is no less than each one of you deserve.

Courtney.

The contents of this e-mail (and any attachments) are confidential and may be privileged. If you are not the intended recipient, any use, distribution, copying or disclosure of this e-mail (and any attachments) is unauthorized. Any other use, distribution, copying or disclosure is strictly prohibited. If you are not the intended recipient or you have received this e-mail in error, please notify RECO immediately by reply e-mail and then permanently delete this e-mail, including any attachments, from your system, without making a copy. Thank you.

Although RECO has taken reasonable precautions to ensure that no viruses are present in this e-mail or its attachments, RECO does not represent or warrant that they are free from computer viruses or other defects and will not accept responsibility for any loss or damage arising from them.

CC: Gutowski, Elizabeth

Exhibit L

THIS IS EXHIBIT L ATTACHED

TO THE AFFIDAVIT OF Richard Kwagiewicz

List Of Assets Held By The Defendants

SWORN November 16, 2005


A COMMISSIONER

Real Estate

M. JOANNE MacMILLAN

Property Description	Owner
587 Cam Fella Boulevard Stouffville, Ontario L4A 7H3	Jointly owned by Courtney Wallis Simpson and Kenneth Wayne Simpson
PIN 03715-0004 Whitchurch, Ontario	Courtney Wallis Simpson
PIN 03710-0193/0194 Stouffville, Ontario	"Courtney Wallis Simpson" and/or the other defendants
1038 Kawagama Lake Road Con 13 PT Lot 1 RP19R3154, Parts 1, 6, 7 Dorset, Algonquin Highlands Township, Ontario	Courtney Wallis Simpson

Bank Accounts

Royal Bank of Canada
Transit No. 02982
47 Main Street
Markham, Ontario

Royal Bank of Canada
Davis and Highway 404 Branch
Toronto, Ontario

Canadian Imperial Bank of Commerce
Transit No. 01642
4360 Highway 7
Unionville, Ontario

Bank of Montreal
Town Square Branch
Richmond Hill, Ontario

TD Canada Trust
Town Square Branch
Richmond Hill, Ontario

TD Canada Trust
Davis and Highway 404 Branch
Toronto, Ontario

Bank of Nova Scotia
Davis and Highway 404 Branch
Toronto, Ontario

HSBC
Richmond Hill

Laurentian Bank
Newmarket, Ontario

DMSTORLegal\056445\00001\369505v1

Exhibit M



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE #61

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
03110-0194 (LPI)

PAGE 1 OF 1
PREPARED FOR CALKEND
ON 2005/11/14 AT 11:45:01

PROPERTY DESCRIPTION: PT LOTS 49 & 50, PG 70 STOUPEVILLE, PP. 1, 5R25614, MITTCHURCH-STOUPEVILLE.
PROPERTY REMARKS:
ESTATE/QUALIFIER:
PER SIMPLE
IN COMMISSION QUALIFIED

RECENTLY:
DIVISION FROM 03110-0086
CASAC ENT. SHARE
BENO

FIN CREATION DATE:
2003/06/01

OWNERS: WALTERS, SIMPSON, COURTNEY SAMAYTHA

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHRG/CHRD
** PRIVATE		INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
** SUBJECT		ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO				
**		SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT		PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
**		AND ESCHEATS OR FORFEITURE TO THE CROWN				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE		LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		
**		IT THROUGH VENUE OF ADVERSE POSSESSION, PREScription, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
**		CONVENTION				
**		ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
** DATE OF CONVERSION TO LAND TITLES: 1999/12/20 **						
5R25614	2003/01/14	PLM REFERENCES				
RA10129L	2003/05/22	NOTICE		THE CORPORATION OF THE TOWN OF MITTCHURCH-STOUPEVILLE		
RA14782	2003/08/26	BIGAM DEED DUMP		THE CORPORATION OF THE TOWN OF MITTCHURCH-STOUPEVILLE		
RA17521	2003/10/17	TRANSFERS	\$100,000	WALMSLEY, GLEBA	WALTERS, SIMPSON, COURTNEY SAMAYTHA	
RA58943	2005/02/10	CHARGE	\$110,000	WALTERS, SIMPSON, COURTNEY SAMAYTHA	PARERA, AJAY	
RA69511	2005/09/01	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		
		REMARKS: PICKERING AIRPORT STS ZONING REG. (SOR/10070-616)				

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

THIS IS EXHIBIT M ATTACHED
TO THE AFFIDAVIT OF
Richard Kwachnicz

SWORN November 16, 2005
[Signature]
A COMMISSIONER

M. JOANNE MacMILLAN



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE #65

CANCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

01707-0065 (LT)

PAGE 1 OF 1
PREPARED FOR CALLERO1
ON 2005/11/09 AT 11:04:21

Ontario

SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PCL 19-1 SEC 65H2296; LT 19 PG 65H2296; WITCHURCH-STOUFFVILLE

RECENTLY:
FIRST CONVERSION FROM BOOK

CAPACITY SHARE
JTEN

REG. CREATOR DATE:
1997/09/22

OWNERS' NAMES:
MALLIS SIMPSON, COURTNEY
SIMPSON, KEINETH WAYNE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHRG/ CIRD
	EFFECTIVE 2000/07/29 THIS NOTATION OF THIS BLOCK IMPLEMENTATION DATE* OF 1997/09/22 ON THIS PIN					
	HAS REPLACED WITH THE REG. CREATOR DATE OF 1997/09/22**					
	** PRINTOUT INCLUDES ALL DOCUMENT TYPES IDENTIFIED INSTRUMENTS NOT INCLUDED) **					
LT228178Z	1985/05/31	APC ANNEX REST COV				C
LT1216592	1986/09/10	APC ANNEX REST COV				C
LT1473696	2000/04/28	TRANSFER	\$343,557	MCCREADY, WILLIAM BRIAN MCCREADY, PASCAL ANNE	MALLIS SIMPSON, COURTNEY SIMPSON, KEINETH WAYNE	C
LT1473697	2000/04/28	CHARGE	\$317,704	MALLIS SIMPSON, COURTNEY SIMPSON, KEINETH WAYNE	CIBC MORTGAGES INC. TRADING AS FIRSTLINE MORTGAGES	C
YR694297	2005/08/31	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C
	REMARKS: AERONAUTICS ACT AND THE PICKERING AIRPORT SITE ZONING REGULATIONS (SRO/10000-636)					

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



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Ontario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #65

03710-019 (LT)

PAGE 1 OF 1
PREPARED FOR CALCUL
ON 2005/11/14 AT 11:53:55

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

PROPERTY DESCRIPTION: PT LOTS 49 & 50, PL 70 STOUPEVILLE, PT 2, 55R25634, WITCHURCH-STOUPEVILLE;

PROPERTY REMARKS: CONSENT TO SEVERANCE IN YR101549

ESTATE/QUALIFIER: RECENTLY:
FEE SINGLE: DIVISION FROM 03710-0086

LT CONVERSION QUALIFIED

OWNERS' NAMES: CAPACITY SHARE
WALLIS-SIMPSON, COURTNEY SAMANTHA

FIM CREATION DATE:
2003/06/03

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
		** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
		**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES AND ESCHEATS OR FORFEITURE TO THE CROWN.				
		** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LIMIT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.				
		** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE LAND TITLES ACT APPLIES.				
		**DATE OF CONVERSION TO LAND TITLES: 1999/12/20 **				
65R25634	2003/01/14	PLAN REFERENCE				C
YR301291	2003/05/22	NOTICE				C
YR347782	2003/08/26	BYLAW DRAIN PUMP				C
YR375271	2003/10/17	TRANSFER REMARKS: PLANNING ACT STATEMENTS	\$200,000	THE CORPORATION OF THE TOWN OF WITCHURCH-STOUPEVILLE	WALLIS-SIMPSON, COURTNEY SAMANTHA	C
YR598943	2005/02/10	CHARGE	\$210,000	WALLIS-SIMPSON, COURTNEY SAMANTHA	SAHWA, AJAY	C
YR695117	2005/09/01	NOTICE REMARKS: PICKERING AIRPORT SITE ZONING REG. (SOR/10090-676)		HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER OF TRANSPORT		C

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



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE 165

03715-0004 (LX)

PAGE 6 OF 2
PREPARED FOR: CALKON01
ON 2005/11/14 AT 11:42:13

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

Ontario

PROPERTY DESCRIPTION

PT LT 30 PL 54 STOUFFEVILLE; PT LT 31 PL 54 STOUFFEVILLE; PT LT 40 PL 54 STOUFFEVILLE; PT LT 41 PL 54 STOUFFEVILLE; PTS 1, 7, 55R2555, 55/T R221467, R221469
WHITCHURCH-STOUFFVILLE

PROPERTY REMARKS

RECENTLY
RE-ENTERED FROM 03715-0149

PIN CREATION DATE:
1999/12/17

OWNERS - NAMES

WALLIS SIMPSON, COURTNEY SAMANTHA
CAPACITY SHARE
BENO

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARCELS FROM	PARCELS TO	CERVY CARD
EFFECTIVE	2000/07/29	THE NOTATION OF THIS "BLOCK IMPLEMENTATION DATE" OF 1997/09/22 ON THIS PIN				
HAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/12/17						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT						
** AND EASEMENTS OR FORECLOSURE TO THE CROWN,						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE						
** REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/12/20 **						
55R2511	1978/01/10	PLAN REFERENCE			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE	C
55R2555	1978/01/21	PLAN REFERENCE			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE	C
R221467	1978/04/14	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE	C
R221469	1978/04/14	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE	C
R225240	1978/07/04	AGREEMENT			THE CORPORATION OF THE TOWN OF WHITCHURCH-STOUFFVILLE	C
YR608264	2005/03/07	TRANSFER	\$579,900	YOUNG, ROSE MARIE	WALLIS SIMPSON, COURTNEY SAMANTHA	C
		REMARKS: PLANING ACT STATEMENTS				
YR608874	2005/03/08	CHARGE	\$320,000	WALLIS SIMPSON, COURTNEY SAMANTHA	PAHWA, AJAY	C

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



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

03715-0004 (CT)

PAGE 2 OF 2
PREPARED FOR CAIKANO
ON 2005/11/14 AT 11:42:13

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

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
YR658779	2005/06/28 REMARKS: YR60974	NOTICE		PAIWA, AJAY	WALLIS, SIMPSON, COURTNEY, SAMANTHA	C
YR695333	2005/09/01 REMARKS: AERONAUTICS ACT AND THE PECKERING AIRPORT SITE ZONING REGULATIONS (SOR/10000-616)	NOTICE		HER MAJESTY THE QUEEN IN RCHOE OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT		C

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



MINISTRY OF
CONSUMER AND
BUSINESS
SERVICES

LAND
REGISTRY
OFFICE #65

0115-0149 (R)

ABSTRACT INDEX (ABBREVIATED) FOR PROPERTY IDENTIFIERS

PAGE 1 OF 1
PREPARED FOR CALLER 01
ON 2005/11/15 AT 10:15:27

PROPERTY DESCRIPTION: LT 31, 50, 54, 56, 57, 40 & 41, PL 54, PLS 1 & 7, 6582355, MITCHELCHURCH-STOUFFERVILLE
 PROPERTY REMARKS: THIS PARCEL WAS CREATED BASED ON INFORMATION CONTAINED IN DOCUMENT(S) R224579, WHICH IS (ARE) RECORDED FOR PIN IDENTIFICATION ONLY.
 ESTATE/QUALIFIER: RECENTLY PARCELIZED
 PIN CREATION DATE: 1997/09/22

REG. NO.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHRG/CHGD
R224579	1978/06/23	TRANSFER	\$2		YOUNG, JEROME IGNACEUS YOUNG, ROSE MARIE	C

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

Re: 1033 Kawagame

185

May 31/02

\$ 257,911.57

Owners

Courtney

Wallis

~~Wallace~~

Simpson

2 Mort

① May 31/02 \$ 238,380.00

Royal Bank

②

Mar 9/05

Ajay Pahwa

\$ 220,000.00

November 8, 2005

LRO SEARCH REPORT

RE: COURTNEY WALLIS SIMPSON

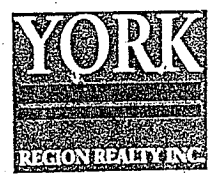
1. 587 CAM FELLA BLVD. WHITCHURCH STOUFFVILLE
2. COURTNEY SAMANTHA WALLIS SIMPSON FOUND NO ADD PIN 03715-0004
WHITCHURCH
3. COURTNEY SAMANTHA WALLIS-SIMPSON FOUND NO ADD PINS 03710-0193/0194
STOUFFVILLE.

END

183
Enter the
two PIN #
in Province wide
Section

11/8/2005

Exhibit N



Courtney Wallis Simpson
President / Broker

Phone: 905-640-SOLD(7653)
Fax: 905-642-6423
E-mail: cwallissimpson@aol.com
37 Sandiford Drive, Suite 302
Stouffville, Ontario L4A 7X5

I, COURTNEY WALLIS SIMPSON RECEIVED
FROM RICHARD KWASNIEWSKI, A SUM OF
FIFTY THOUSAND DOLLARS (\$50,000) TOWARDS
THE SHARE PURCHASE OF ONE INTEREST
OCCUPANCY MONTHS. IT IS AGREED
THAT YOU WILL BE PAID A SUM OF
NINETY THOUSAND DOLLARS (\$90,000) ON
OCTOBER 24, 2005.

Ulleny
Courtney Wallis Simpson

THIS IS EXHIBIT N ATTACHED
TO THE AFFIDAVIT OF
Richard KwASNIEWSKI
SWORN November 14, 2005

COMMISSIONER

M. JOANNE MacMILLAN

Exhibit O

YORK REGION REALTY INC.
GENERAL ACCOUNT
6072 MAIN STREET
STOUFFVILLE, ONTARIO L4A 1B8
Tel: (905) 640-7653 Fax: (905) 642-6423

1830187
DATE 24 10 2005
D D M M Y Y Y Y

PAY to RICHARD KWASNIWICZ \$60,000 -
the order of
- SIXTY THOUSAND DOLLARS 100 DOLLARS

BMO Bank of Montreal
TIMES SQUARE BRANCH
550 HIGHWAY #7 EAST
RICHMOND HILL, ONTARIO L4B 3Z4



YORK REGION REALTY INC.
GENERAL ACCOUNT

RE MCC2740:021

PER [Signature]

⑈000187⑈ ⑆34342⑈00⑆ 1011⑈73⑆⑈

YORK REGION REALTY INC.
GENERAL ACCOUNT
6072 MAIN STREET
STOUFFVILLE, ONTARIO L4A 1B8
Tel: (905) 640-7653 Fax: (905) 642-6423

0188
DATE 27 10 2005
D D M M Y Y Y Y

PAY to RICHARD KWASNIWICZ \$60,098.96
the order of
SIXTY THOUSAND NINETY EIGHT DOLLARS 96 DOLLARS

BMO Bank of Montreal
TIMES SQUARE BRANCH
550 HIGHWAY #7 EAST
RICHMOND HILL, ONTARIO L4B 3Z4



YORK REGION REALTY INC.
GENERAL ACCOUNT

RE _____

PER [Signature]

⑈000188⑈ ⑆34342⑈00⑆ 1011⑈73⑆⑈

THIS IS EXHIBIT 0 ATTACHED
TO THE AFFIDAVIT OF
Richard Kwasiwicz
SWORN November 16, 2005
[Signature]
A COMMISSIONER

M. JOANNE MacMILLAN

Exhibit P



THIS IS EXHIBIT P ATTACHED

TO THE AFFIDAVIT OF

Richard Kwashnicwicz 189

SWORN November 16, 2005

[Signature]
A COMMISSIONER

Michael J. Quilling

M. JOANNE MacMILLAN

EMAIL: mquilling@qscplc.com

RECEIVERSHIP WEBSITE: www.secreceiver.com

Education

University of Georgia School of Law (J.D. 1982)
University of Georgia (B.A. 1979)

Courts of Practice

All Texas State Courts (1982)

U. S. Federal District Courts

Northern District of Texas (1983)
Southern District of Texas (1993)
Eastern District of Texas (1985)
Western District of Texas (1984)
Western District of Michigan (2000)

U. S. Federal Appellate Courts

Fifth Circuit Court of Appeals (1984)
Seventh Court of Appeals (2002)
Ninth Circuit Court of Appeals (1990)
Eleventh Circuit Court of Appeals (1989)

U.S. Supreme Court (2000)

Specializations

Texas Board of Legal Specialization

Civil Trial Law (1991)
Business Bankruptcy Law (1991)

Professional

Texas Super Lawyer, 2004
Texas Super Lawyer, 2003
Fellow, Dallas Bar Foundation

Selected Published Cases

Michael J. Quilling, Receiver for Lennox Investment Group, Ltd. v. National City Bank of Michigal, Illinois, f/k/a First of America Bank-Illinois, 2001 WL 1516732 (N.D.Ill)

Quilling v. Funding Resource Group, 227 F.3d 231 (5th Cir.2000)

Peavy v. WFAA-TV, Inc., 221 F.3d 158 (5th Cir. 2000)

Goodspeed v. Harman, 39 F. Supp. 2d 787 (N.D. Tex. 1999)

Peavy v. Harman, 37 F. Supp. 2d 495 (N.D. Tex. 1999)

Peavy v. New Times, Inc., 976 F. Supp. 532 (N.D. Tex. 1997)

In re Pro-Snax Distributors, Inc., 204 B.R. 492 (Bankr. N.D. Tex. 1996)

In re Norriss Brothers Lumber Company, Inc., 133 B.R. 599 (Bankr. N.D. Tex. 1991)

Security Bank v. Dalton, 803 S.W.2d 443 (Tex. App.--Fort Worth 1991)

Myers v. Ginsburg, 735 S.W.2d 600 (Tex. App.--Dallas 1987)

Simpson v. MBank Dallas, N.A. 724 S.W.2d 102 (Tex. App.--Dallas 1987)

MBank Dallas, N.A. v. Sunbelt Manufacturing, Inc., 710 S.W.2d 633 (Tex. App.--Dallas 1986)

Miller v. Miller, 700 S.W.2d 941 (Tex. App.--Dallas 1985, writ ref'd n.r.e)

**Involvement in Significant
SEC Cases**

In Re Future Communications; Case No. 393-37680-SAF-7 (Bankr. N.D. Tex.)

In Re Offshore Financial Corporation; Case No. 396-37173-RCM-11 (Bankr. N.D. Tex.)

Securities and Exchange Commission v. Forex Asset Management, L.L.C., et al; Civil Action No. 3-99-CV-0256-P (N.D. Tex.)

**Current SEC Receivership
Cases**

Securities and Exchange Commission v. Funding Resource Group, et al; Civil Action No. 3:98-CV-2689-M (N.D. Tex.) (approximately 2000 claimants)

Securities and Exchange Commission v. Larry Tyler and Advanced Financial Services, Inc., et al.; Civil Action No. 3:03-CV-0282-F (N.D. Tex.) (approximately 450 claimants)

In Re All Funds on Deposit in Account Number 000669829075 in The Bank of MM APMC Banque de Commerce, Inc. at NationsBank, N.A. Consisting of \$18,756,420.97, More or Less; Cause No. 3:98-MC-96-McK (W.D. N.C.) (approximately 1000 claimants)

Securities and Exchange Commission v. Frederick J. Gilliland, Defendant and MM APMC Banque de Commerce, Inc., Relief Defendant; Civil Action No. 3:02CV128-McK (W.D. N.C.) (Approximately 1000 claimants)

SIPC Trustee Cases

In Re: Northstar Securities, Inc.; Adv. No. 01-37722-HCA (N.D. Tex.) (approximately 350 claimants)

Other Current Receivership Cases

Banc One Leasing Corporation v. Optovision Technologies, Inc., et al.; Cause No. 02-6667 (A-14th J.D. Dallas Cty, Tex.)

Michael J. Quilling, Receiver for Advanced Financial Services, Inc. v. Trade Partners, Inc., et al.; Civil Action No. 1:03CV-0236 (W.D. Mich.)

United States of America v. James A. Sharpe, et al.; Case No. 3:03CR128/RV (N.D. Fl.)

Michael J. Quilling, Receiver for the Estate of Frederick J. Gilliland v. Frederick J. Gilliland, et al.; Cause No. S034144 (Sup. Ct. of British Columbia)

Closed Receivership Cases

Securities and Exchange Commission v. Cornerstone Prodigy Group, et al.; Civil Action No. 4:99-CV-0978-Y (N.D. Tex.) (approximately 3500 claimants)

Lexford Properties Management, LLC v. Brentwood-Lexford Partners, LLC, et al.; Cause No. 00-3198 (191st J.D. Dallas Cty, Tex.)

Securities and Exchange Commission v. Lennox Investment Group, Ltd., et al.; Civil Action No. 4-98-CV-536-Y (N.D. Tex.) (approximately 50 claimants)

I am the founding shareholder of the Dallas, Texas based law firm of Quilling, Selander, Cummiskey & Lownds, P.C. Licensed in 1982, for the past 20 years I have functioned as a trustee in bankruptcy proceedings and a receiver in civil proceedings. For the past seven years I have functioned almost exclusively as a receiver at the request of the United States Securities and Exchange Commission and the United States Department of Justice in complex international cases involving financial and investor fraud. Most of the cases I have handled involved the liquidation of real estate, whether it be commercial or residential. During the course of my career, I have marketed and sold millions of dollars of real estate in the United States and Canada. I currently have in excess of \$1.5 million of real estate for sale in cases in which I act as receiver.

I also possess extensive experience in bank account reconstruction, financial tracing and asset seizure. I have reconstructed bank records for thousands of accounts involving hundreds of thousands of line entries and have traced hundreds of millions of dollars throughout the world. In order to determine the identity of, and return funds to investors, I have developed a sophisticated database and tracking system for investor information and claims. I was one of the first to develop a website, www.secreceiver.com, to allow investors to easily and cost-effectively communicate with me regardless of where they, or I, are located and to monitor progression of the case.

If selected I have agreed to act as receiver in these proceedings for \$400 per hour (Canadian) and intend to employ local professionals to assist me in my efforts.

Udayan Pandya
Plaintiff

v.

Courtney Wallis Simpson *et al.*
Defendants

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

In the matter of the *Class Proceedings*
Act, 1992

Proceeding commenced at Toronto

MOTION RECORD
(Returnable November 17, 2005)

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One First Canadian Place
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M5X 1A4

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LSUC Reg. No. 37030L/43529J

Solicitors for the plaintiff