Court File No. CV-19-619158-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

AM-STAT CORPORATION

Applicant

- and -

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP and 6910 HWY7 INC.

Respondents

RESPONDING MOTION RECORD OF THE RESPONDENTS

May 16, 2019

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Respondents

AFFIDAVIT OF PATRICK CHAN

I, Patrick Chan, of the City of Markham, in the Province of Ontario **MAKE OATH AND SAY:**

1. I am a Director of the Respondent, 6910 Hwy 7 Inc. ("**Nominee**") and 6910 Hwy 7 G.P., the General Partner ("**GP**") of the 6910 Highway Seven Limited Partnership ("**LP**"), and as such, I have knowledge of the matters contained in this Affidavit. Where my information has been provided by others, or is based upon a review of documents, I have identified the sources of my information and do verily believe it to be true.

OVERVIEW

2. There are parallel proceedings which provide some context for matters giving rise to the Applicant's Receivership application in Commercial Court. The Plaintiff ("**Kronenfeld**") in a related action against the Respondents and others in the Ontario Superior Court of Justice bearing Court File No. CV-17-576484 ("**Kronenfeld Action**") is seeking in that action (among other things), specific performance with respect to the

property known municipally as 6910 and 6950 Highway 7 East in Markham, Ontario (collectively, the "**Property**") and damages for breach of contract against one of the Defendants, 2334266 Ontario Inc. ("**233**").

3. The Proper is comprised of 20 acres of vacant land suitable for residential real estate redevelopment.

4. Kronenfeld registered a Certificate of Pending Litigation against the Property which was temporarily lifted as part of a motion brought by the LP who is a Defendant in the Kronenfeld Action on December 6, 2017 before The Hon. Justice Penny. The parties ultimately agreed to terms of a consent Order to allow for the refinancing of the Property and the replacement of the first mortgage on the Property with a new first mortgage with Am-Stat Corporation ("**Am-Stat Mortgage**") further to the Orders of Justice Penny dated December 6, 2017 and January 2, 2018.

PLEADINGS IN THE KRONENFELD ACTION

5. On March 15, 2018, Kronenfeld amended his claim to add the GP, 2563111 Ontario Inc. ("**256**") and the LP as Defendants.

6. On December 5, 2018, Kronenfeld amended his claim further to add Cimberg Developments Inc. ("**Cimberg**"), Kingsberg Development Corporation ("**Kingsberg**"), Khurram Shroff ("**KB Shroff**"), myself, Wei (Andrew) Fang ("**Fang**"), and Jerry Feng ("**Feng**") as Defendants.

7. Separately filed with this Affidavit is a pleadings brief in the Kronenfeld Action.

8. As is set out in the pleadings in the Kronenfeld Action, Cimberg paid $8M to 233 for a half interest in the Property when the LP was set up in May 2017 without any knowledge that KB Shroff on behalf of the then owner of the Property, 233, had secretly entered into an Agreement of Purchase and Sale with Kronenfeld in March 2017 to sell the Property to him.

TRIAL IN THE KRONENFELD ACTION

9. This matter was originally set for a 10 day expedited trial on liability to commence on September 24, 2018. The parties had agreed at various attendances in Court that the trial was to be bifurcated to deal only with the specific performance component and to defer the damages component.

10. The trial was adjourned in August 2018 as a result of new allegations and was re-scheduled for a 10 day trial to commence on April 1, 2019. It did not proceed at that time due to serious attempts on the part of the parties to settle the matter which occurred on 4 days of a Pre-Trial before The Honourable Justice Spiegel on March 4, 13, 25 and April 17, 2019.

11. The April 2019 trial was adjourned and has not been rescheduled.

PARTIES AND PARTICIPANTS IN THE KRONENFELD ACTION

Nominee

12. The Nominee holds the Property in trust for the LP.

LP AND LIMITED PARTNERS

13. The LP is the beneficial owner of the Property. The business of the LP is conducted by

the GP. The two Limited Partners are 256, a company controlled by KB Shroff and owned by his family and Cimberg (which in turn is owned by Kingsberg and the CIM International Group of Companies, "**CIM**"). KB Shroff and his family are hereinafter sometimes collectively referred to as "**Shroff**".

2334266 ONTARIO INC.

14. 233 was the owner of the Property until it conveyed it to the LP on May 5, 2017. 233 is a company which is owned and controlled by Firoz Shroff, KB Shroff's father.

MATERIAL EVENTS BEFORE KRONENFELD ACTION AS SET OUT IN THE PLEADINGS BRIEF

15. On March 8, 2017, KB Shroff and Kronenfeld entered into an Agreement of Purchase and Sale ("**Kronenfeld APS**") pursuant to which KB Shroff agreed to sell the Property to Kronenfeld (through 233 as the vendor) for $31M.

16. Cimberg was unaware of the Kronenfeld APS. From February through May 2017 Cimberg and 233 were negotiating the LP whereby Cimberg would ultimately pay $8M to 233 for a half interest in the Property and Cimberg and 256 would enter into a joint venture agreement with 233. Kingsberg had been granted an option by 233 to purchase a 50% interest in the Property. It exercised that option on February 16, 2017 and therefore, had a binding agreement to purchase a half interest. The proposed method of proceeding, a joint venture, was changed at the request of KB Shroff who wanted a limited partnership structure so that he could defer payment of capital gains tax and Cimberg (who was inheriting Kingsberg's position) agreed.

17. Finally, on May 5, 2017, the arrangement was closed and the venture proceed as a limited partnership and an Amended and Restated Partnership Agreement was executed that day ("**LP**). Cimberg bought half of the LP Units by paying 233 $8M and 256 received half of

the LP units when 233 conveyed title of the Property to the LP. The GP was owned and controlled equally by Cimberg and 256. The affairs of the LP were governed by the LPA. Attached hereto and marked as **Exhibit "A"** is a copy of the LPA.

18. Nobody at Cimberg (which includes the individual representatives of CIM and Kingsberg) was aware of the Kronenfeld Action until it received the Certificate of Pending Litigation materials in the Kronenfeld Action on or about June 6, 2017.

LP DEFENDS THE KRONENFELD ACTION

19. After the Kronenfeld Action was commenced, the GP retained Teplitsky, Colson LLP to defend the LP and Teplitsky, Colson LLP has been actively defending the LP and the GP since that time.

NOTICE TO 256 OF DEFAULT UNDER THE LPA

20. I am advised by Harvin Pitch (no privilege being waived whatsoever) and do verily believe that under the LPA a Limited Partner cannot encumber its LP units without the consent of the other Limited Partner and that by entering into the Kronenfeld APS, 233 granted Kronenfeld an equitable interest in the Property and 256's LP units became encumbered with that equitable interest. On June 16, 2017, Cimberg notified 256 that it had forfeited any right to give approval under the LPA as a result of its default in selling, transferring, assigning, conveying, exchange or otherwise disposing of its LP Units and that Cimberg was entitled to make any and all major decisions relating to the LP. Attached hereto and marked as **Exhibit "B"** is a copy of that letter dated June 16, 2017. A further letter with Default Notice under Article 10 of the LPA was sent to 256 on June

21, 2017. Attached hereto and marked as **Exhibit "C"** is a copy of the letter dated June 21, 2017.

21. On June 30, 2017, counsel for 256 and KB Shroff responded to the above notices. Attached hereto and marked as **Exhibit "D"** is a copy of the letter from Christopher Stanek dated June 30, 2017.

22. The DUCA Mortgage came due in June 2017. DUCA granted a one month extension. Cimberg paid DUCA $195,715.07 for a further one month extension. On July 7, 2017, a Notice to Contribute was sent to 256 and Cimberg by the GP pursuant to Section 5.5 of the LPA. That Notice to Contribute was with respect to the one month renewal of the DUCA mortgage which required a deposit of $195,715.07 or $97,857.54 from each Limited Partner. Attached hereto and marked as **Exhibit "E"** is a copy of the letter dated July 7, 2017 with attached Notice to Contribute.

23. Cimberg advanced its Proportionate Share, and 256's Proportionate Share, to the LP under the Notice to Contribute.

24. On August 17, 2017 a Contribution Default Notice was delivered to 256 confirming that as it had failed to advance its Proportionate Share of the Additional Capital set out in the Notice to Contribute the GP was providing written notice of such failure to 256, the Non-Contributor, and Cimberg, the Contributor. 256 had ten business days from August 17, 2017 to advance its Proportionate Share to Cimberg ($97,857.54) failing which its failure to do so would be deemed an Event of Default under the LPA. Attached hereto and marked as **Exhibit "F"** is a copy of the service letter with Contribution Default Notice.

25. 256 did not advance its Proportionate Share (which Cimberg covered on its behalf) to Cimberg in accordance with the Contribution Default Notice. On September 25, 2017, the GP sent a Default Notice which confirmed 256's failure to advance which was an Event of Default pursuant to Section 10.2 of the LP. The Default Notice required that 256 remedy its default and pay its Proportionate Share within 30 days together with interest. Attached hereto and marked as **Exhibit "G"** is a copy of the September 25, 2017 letter with Default Notice.

26. On October 6, 2017, 256's lawyer asked for the amount required to remedy the default (already provided to 256 in all of the aforementioned notices) and denied that there had been any default by 256. Attached hereto and marked as **Exhibit "H"** are copies of two emails dated October 6, 2017 from Christopher Stanek. I am advised by Harvin Pitch (no privilege being waived whatsoever) and do verily believe it to be true that shortly thereafter 256 paid its Proportionate Share to Teplitsky, Colson LLP.

CIMBERG REFINANCES THE DUCA MORTGAGE

27. As set out in the Application Record, financing was secured to replace the DUCA Mortgage by Am-Stat who replaced DUCA. The financing was expensive due to high brokerage fees and the need to bridge the gap between what was being advanced by Am-Stat and what was required by DUCA. The details of the refinancing and requirement for capital contributions under the LPA are set out below.

28. On August 31, 2017, 256's counsel was further notified of Cimberg's efforts with respect to the DUCA indebtedness and advised that various personal and corporate guarantees would be required as a result of the refinancing and that Cimberg's representatives were

prepared to provide them and needed 256 to do the same. Attached hereto and marked as **Exhibit "I"** is a copy of a letter from Harvin Pitch to Christopher Stanek dated August 31, 2017. Attached hereto and marked as **Exhibit "J"** is a copy of the response from Christopher Stanek dated September 8, 2017.

29. The request for the requisite corporate and personal guarantees and the execution of a resolution authorizing the GP to enter in the loan agreement was repeated on September 12, 2017. Attached hereto and marked as **Exhibit "K"** is a copy of the letter from Harvin Pitch to Christopher Stanek dated September 12, 2017.

30. I am further advised by Harvin Pitch (no privilege being waived whatsoever) and do verily believe it to be true that the Shroffs were required as part of the refinancing to sign corporate resolutions on behalf of the GP and that as a result of their refusal and delay in doing so, it became necessary for Teplitsky, Colson LLP to deliver a draft motion record for a motion in commercial court in which an Order was sought compelling them to execute the corporate resolutions. Only after the draft motion record was delivered did the Shroffs finally relent and execute the resolutions. Additionally, the Shroffs refused to execute personal guarantees in relation to the refinancing. Only Jerry Feng and I, representatives of Cimberg, executed as guarantors.

OBLIGATIONS UNDER THE LPA TO PROVIDE CAPITAL CONTRIBUTIONS TO FINANCE EXPENSES OF THE LP

31. Article 5 of the LPA is called "*Partners, LP Units and Capital Contributions*" and it sets out a variety of obligations owed by the Limited Partners.

32. Section 5.5 of the LPA states that:

*In the event that the General Partner determines that further capital is or will be required at any time or times for the purposes of the Limited Partnership in addition to the capital available to the Limited Partnership from the sources referred to in Section 5.4 above ("**Additional Capital**"), the General Partner shall give simultaneously to each of the Partners a written notice of such requirement for Additional Capital (a "**Notice to Contribute**") setting out the total amount of Additional Capital required and the Proportionate Share thereof of each of the Partners.*

*Unless the Partners otherwise unanimously agree in writing, each of the Partners agrees to advance its Proportionate Share of such Additional Capital as and when same is required for the purposes of the Limited Partnership as set out in any Notice to Contribute by cheque or bank draft payable to the Limited Partnership, delivered to the Limited Partnership at the principal place of business of the Limited Partnership on or before the date which is thirty (30) days after the giving of such Notice to Contribute (the "**Contribution Date**"). A failure by any Partner to pay its Proportionate Share of the Additional Capital as set out in a Notice to Contribute as required under Section 5.5 within ten (10) days after the date of the giving of a Contribution Default Notice in respect of such failure pursuant to Section 5.6 below shall be an Event of Default.*

33. Section 5.6 of the LPA (Contribution Default Notice) states that:

If either of the Limited Partners (a "Non-Contributor") fails to advance its Proportionate Share of the Additional Capital set out in a Notice to Contribute by the Contribution Date, the General Partner shall give written notice of such failure (a "Contribution Default Notice") simultaneously to the Non-Contributor and to the other Limited Partner (the "Contributor"); provided that if the General Partner fails to give any required Contribution Default Notice within ten (10) Business Days after the Contribution Date, then the Contributor may give such Contribution Default Notice to the Non-Contribution and the Contribution Default Notice so given shall have the same effect hereunder as if it had been given by the General Partner.

34. Section 5.8 of the LPA (Contribution Loans) states that:

If the Non-Contributor does not remedy its failure to advance its Proportionate Share of the Additional Capital as set out in the Notice to Contribute within twenty-one (21) days after the date of the giving of a Contribution Default Notice with respect to such failure, then at any time after the expiration of such 21-day period, so long as the Non-Contributor has not remedied such failure, the Contributor provided that it has advanced its Proportionate Share of the Additional Capital as set out in the Notice to Contribute, shall have the right, at its option, to pay the Non-Contributor's Proportionate Share of such Additional Capital to the Limited Partnership in addition to the Contributor's Proportionate Share, and such payment shall constitute and be deemed to be a loan advanced by the Contributor to the Non-Contributor. Any loan

> *deemed to be made to the Non-Contributor by the Contributor pursuant to and as provided in this Section shall be referred to as a "Contribution Loan". Any and all Contribution Loans shall be payable on demand by the Non-Contributor to the Contributor, and shall bear interest calculated and payable monthly at the Prime Rate plus five percent (5%) per annum for three months following the initial advance of such Contribution Loan and twenty four percent (24%) thereafter.*

35. Section 10.2 of the LPA (Default Notice) states that:

> *As soon as practicable after the occurrence of any Event of Default, the General Partner shall give written notice thereof (a "Default Notice") simultaneously to the Defaulter and to the Non-Defaulter; provided that if the General Partner fails to give any required Default Notice within 10 Business Days after the occurrence of the Event of Default, then the Non-Defaulter may give such Default Notice to the Defaulter and the Default Notice so given shall have the same effect hereunder as if it had been given by the General Partner.*

36. In summary, the LPA provides a procedure for raising capital. The GP issues a Notice to Contribute Capital to the Limited Partners and if there is a failure to contribute on the part of either Limited Partner a Contribution Default Notice is issued. If one of the Limited Partners fails to pay its share under the Contribution Default Notice it is an Event of Default and the contributing Limited Partner has the discretion to pay the non-contributing Limited Partner's share which constitutes a loan payable on demand. A Default Notice is sent to the non-contributing/defaulting Limited Partner. This is what happened. Cimberg, who had taken over the affairs of the GP issued Notices under the LPA on behalf of the LP. All this was done to ensure that there was enough money to secure mortgage financing for the Property, service that financing, and pay the legal fees to defend the LP.

FURTHER NOTICES TO CONTRIBUTE UNDER THE LPA DELIVERED POST REFINANCING

January 25, 2018 – Notice to Contribute

37. On January 25, 2018, the GP sent a Notice to Contribute requiring that Cimberg and 256 each contribute $1,401,349.40 for the mortgage shortfall, the Am-Stat brokerage fee, Am-Stat mortgage interest, Am-Stat mortgage payments from February to July 2018 which were paid in advance to Am-Stat, legal costs and so on. Attached hereto and marked as **Exhibit "L"** is a copy of the letter dated January 25, 2018 with Notice to Contribute. The Notice to Contribute sets out the particulars of the mortgage refinancing costs and the legal fees incurred to that date.

38. Neither 256 nor KB Shroff paid anything towards the Notice to Contribute of the GP and paid nothing for the legal fees incurred by the LP up to January 2018, all of which was entirely funded by Cimberg. Since January 2018, 256 has not paid anything on account of the Am-Stat mortgage interest payments or the legal fees of the LP. Cimberg has paid everything.

39. On March 7, 2018, the General Partner sent a Contribution Default Notice confirming that 256 had failed to advance its Proportionate Share of the Cash Call and that it had ten business days to do so failing which its failure would constitute an Event of Default. Attached hereto and marked as **Exhibit "M"** is a copy of the letter with Contribution Default Notice.

40. On April 2, 2018, the General Partner sent a Default Notice which confirmed 256's failure to advance its Proportionate Share ($1,199,991.07) in accordance with the deadline set out in the Contribution Default Notice which constituted an Event of Default pursuant to the LPA. The Default Notice required that 256 remedy its default within

thirty days. Attached hereto and marked as **Exhibit "N"** is a copy of the letter dated April 2, 2018 with Default Notice.

256 never remedied its default.

CIMBERG TAKES OVER AS GP

41. On November 28, 2018, 256 received a Notice of Default pursuant to Section 5.5 of the LPA confirming that as a result of its failure to pay its Proportionate Share it no longer held voting rights under the LPA, a Resolution had been passed appointing Cimberg as the sole voting Limited Partner of the LP.

CIMBERG CALLS THE LOAN AND SERVES NOTICES OF INTENTION TO ENFORCE SECURITY

42. On December 7, 2018, 256 and KB Shroff received formal notice of Cimberg's intention to enforce security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act.* Attached hereto and marked as **Exhibit "O"** is a copy of the letter from Harvin Pitch dated December 7, 2018 with enclosed Notices. Cimberg took the position that 256's failure to honour the contribution notices constituted a breach of the LPA and this breach triggered a default in a loan agreement which Cimberg had entered into with 256 and Cimberg called the loan and demanded payment.

43. 256 disputed Cimberg's actions and this is set out in correspondence from its counsel dated December 19, 2018 which is attached hereto and marked as **Exhibit "P"**.

44. Cimberg's lawyer responded on January 2, 2019 in a letter which is attached hereto and marked as **Exhibit "Q"** and which confirmed that Cimberg was entitled to take control of the GP and make all major decisions a result of 256's continued default under the LPA.

45. 256 has initiated an Application challenging Cimberg's decision. A copy of that application is included in the separately filed Pleadings Brief. No steps have been taken by 256 since it failed its Notice of Application on January 24, 2019.

SITUATION BECOMES UNTENABLE FOR CIMBERG

46. As of March 31, 2019, Cimberg had paid $3,445,272.94 in mortgage interest (from January 17, 2018 through March 1, 2019), $50,000 for Am-Stat's broker retainer on September 11, 2017, $433,260 for Am-Stat's 2% broker fee on January 17, 2018 and $243,160 for AM-Stat's mortgage renewal fee (1%) on February 1, 2019. A schedule detailing the payments made by Cimberg, half of which are 256's responsibility, is attached hereto and marked as **Exhibit "R"**.

47. Cimberg on behalf of the LP also paid legal fees and disbursements in the amount of $1,285,292.07 from June 2017 to March 2019 (inclusive of fees, disbursements and HST) without any contribution from 256. The legal fees increased in 2019 as counsel had to prepare for trial which was scheduled to commence, as aforesaid, on April 1, 2019 but was aborted shortly before as a result of settlement efforts at 4 days of a continued Pre-Trial.

48. Cimberg's significant financial contributions benefited the LP and the Property. 256 benefited from Cimberg's efforts despite contributing nothing.

49. In various Court attendances, Cimberg made it clear that it would not continue to make monthly mortgage interest payments in the amount of $201,358.34 without any end in sight. When it became clear in the early spring of 2019 that this matter was not headed for a resolution and that Cimberg would have to continue paying $201,358.34 per month for the foreseeable future, the situation became untenable and a decision was made to cease making the Am-Stat interest payments as of April 1, 2019.

256'S LATE BLOOMING CONCERN AND DEMANDS

50. On April 8, 2019, Am-Stat sent a notice of default and demanded payment. Attached hereto and marked as **Exhibit "S"** is a copy of the letter from Phil Meretsky dated April 8, 2019.

51. 256's lawyer responded to the letter from Mr. Meretsky and asked whether Am-Stat would be willing to renew the mortgage. Attached hereto and marked as **Exhibit "T"** is a copy of the letter from Chris Stanek to Phil Meretsky dated April 11, 2018 (the 2018 is a typographic error).

52. It was disingenuous and an act of bad faith for 256 to be suddenly alarmed about the failure to pay one month of mortgage interest when 256 failed to make a single mortage payment since July 2017, notwithstanding various Notices sent pursuant to the LPA, and to allege that Cimberg was in breach of the LPA and level demands.

53. On April 11, 2019, Am-Stat's lawyer wrote to 6910 Hwy7 Inc. to confirm that the mortgage was in default as the April 1, 2019 payment of $201,358.34 had not been made and to demand payment of the indebtedness. Attached hereto and marked as **Exhibit**

"U" is a letter from David Preger dated April 11, 2019 enclosed a Notice of Intention to Enforce Security.

54. Attached hereto and marked as **Exhibit "V"** is a copy of the letter from 256's lawyer dated April 11, 2019 in which, among other things, 256 purports to allege that the GP's failure to satisfy the debts and obligations of the LP as required by the LPA constituted wilful misconduct and that Cimberg had breached the LPA when it stopped making the mortgage interest payments on April 1, 2019.

55. 256's sudden call to action and purported willingness to "save" the Property and remedy the default on the mortgage payments is self-serving. 256 made no contributions to benefit the Property since June 2017, nearly two years ago, and is now apparently seeking to "rescue" the Property by paying two months' of mortgage arrears and property taxes and is seeking a charge against the Property.

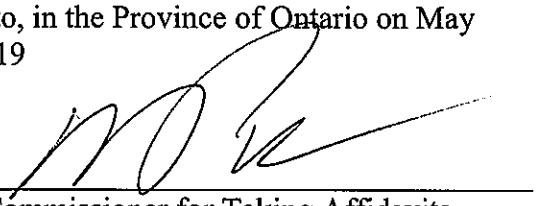
56. On May 14, 2019, 256's lawyer sent a letter purporting that there is a dispute between the Limited Partners as to whether 256 is obliged to contribute money to pay the mortgage, that 256 is prepared to bring and keep the mortgage current but that it would like a subordinated charge against the Property to secure any amounts paid to the mortgage to protect its interests. Attached hereto and marked as **Exhibit "W"** is a copy of the letter from E. Patrick Shea to Harvin Pitch dated May 14, 2019.

57. If anyone is entitled to a charge ahead of the unsecured creditors it should be Cimberg in relation to its mortgage broker, administration and interests fees as well as the considerable legal fees it has incurred to defend the LP in the Kronenfeld Action.

58. In fact, neither Limited Partner should be entitled to a charge against the Property. Limited Partners have an obligation under the LPA to pay their Proportionate Share of the mortgage payments and legal costs. 256 has failed to offer any valid excuse as to why it has not paid anything for nearly two years. 256 should not receive any special treatment for any payments made at this late hour which only partially meet its mounting financial obligations to the LP. Instead, 256 should be required to equalize its contributions in full and if it did so there would be sufficient funds available to place the mortgage in good standing and arrange to refinance the mortgage once it comes due on August 1, 2019.

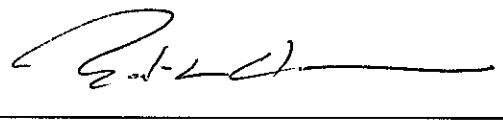
59. I swear this Affidavit for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on May 16, 2019



Commissioner for Taking Affidavits
(or as may be)

Harvin D. Pitch



PATRICK CHAN

AM-STAT CORPORATION
Applicant

v.

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP et al.
Respondents

Court File No. CV-19-619158-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF PATRICK CHAN
SWORN MAY 16, 2019

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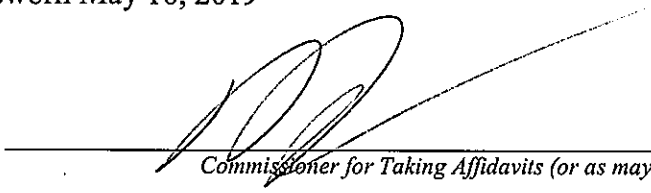
Lawyers for the Respondents

Tab A

This is Exhibit "A" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP

AMENDED AND RESTATED PARTNERSHIP AGREEMENT

May 5, 2017

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AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of the 5th day of May, 2017.

AMONG:

2563111 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario

("**256**")

- and -

CIMBERG DEVELOPMENTS INC., a corporation incorporated under the laws of the Province of Ontario

("**Cimberg**")

- and-

6910 HWY 7 GP INC., a corporation incorporated under the laws of the Province of Ontario,

(the "**General Partner**")

WHEREAS the General Partner, Cimberg and 2334266 Ontario Inc. ("**233**") formed the Limited Partnership (defined below) on April 21, 2017 (the "**Formation Date**") for the purposes of developing the Project Lands (defined below);

AND WHEREAS on the Formation Date, Cimberg and 233 each subscribed for 10,000 Class B Limited Partnership Units/;

AND WHEREAS the General Partner, Cimberg and 233 entered into a limited partnership agreement effective as of May 5, 2017 (the "**Initial Partnership Agreement**");

AND WHEREAS on May 5, 2017 233 contributed the Project Lands to the Limited Partnership in exchange for the assumption by the Limited Partnership of the First Mortgage and the issuance of 16,000,000 Class A Limited Partnership Units;

AND WHEREAS on May 5, 2017 233, transferred its 16,000,000 Class A Limited Partnership Units and 10,000 Class B Limited Partnership to 256;

AND WHEREAS the sole shareholders of 256 are 233 and Imperial Real Estate Holdings Limited;

AND WHEREAS the Partners wish to amend and restate the Initial Partnership Agreement in its entirety for the purpose of further setting out the terms and conditions governing the Limited Partnership;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein, the parties hereto covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 Defined Terms

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) "**Accountants**" has the meaning ascribed thereto in Section 4.19 below;

(b) "**Acceptance Notice**" has the meaning ascribed thereto in Section 9.3 below;

(c) "**Act**" means *Limited Partnership Act,* Ontario, as the same may be amended from time to time;

(d) "**Additional Capital**" has the meaning ascribed thereto in Section 5.5 below;

(e) "**Agreement**" means this Agreement;

(f) "**Appraiser**" means an appraiser who is at all relevant times:

(i) disinterested in the transactions contemplated by this Agreement;

(ii) deals at arm's length with the Limited Partners and their Related Entities;

(iii) an accredited appraiser of the Appraisal Institute of Canada or a senior real estate appraiser of the Society of Real Estate Appraisers (or of any successor associations or bodies of comparable standing if the same are not in existence); and

(iv) is qualified to appraise real estate similar to the Project Lands in the Province of Ontario within a radius of 50 miles of the Project Lands and has been engaged in such activity for a period of not less than 5 years immediately preceding appointment hereunder;

(g) "**Arbitration Notice**" has the meaning ascribed thereto in Section 14.1 below;

(h) "**arm's length**" has the meaning ascribed thereto in the ITA;

(i) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in Ontario;

(j) "**Buy/Sell Notice**" has the meaning ascribed thereto in Section 9.2 below;

(k) "**Capital Accounts**" means the individual capital accounts which shall be maintained in the records of the Partnership for each Partner, which accounts shall be:

(i) credited with the Partner's capital contributions to the Partnership and share of Partnership's Net Income; and

(ii) debited with the Partner's share of Partnership's Net Loss, withdrawals or returns of capital and distributions to the Partner;

(l) "**Charge**" has the meaning ascribed thereto in Section 8.3 below;

(m) "**Class A Units**" has the meaning ascribed thereto in Section 5.1 below;

(n) "**Class B Units**" has the meaning ascribed thereto in Section 5.1 below;

(o) "**Closing**" has the meaning ascribed thereto in paragraph 9.6(a) below;

(p) "**Contribution Date**" has the meaning ascribed thereto in Section 5.5 below;

(q) "**Contribution Default Notice**" has the meaning ascribed thereto in Section 5.6 below;

(r) "**Contribution Loans**" has the meaning ascribed thereto in Section 5.8 below;

(s) "**Contributor**" has the meaning ascribed thereto in Section 5.6 below;

(t) "**Control**" means:

(i) when applied to the relationship between a person and a corporation, the ownership by such person (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of voting securities of such corporation carrying 50 per cent of the votes for the election of directors, if the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of such corporation; and

(ii) when applied to the relationship between a person and a partnership, joint venture or other unincorporated entity, the ownership by such person (other than by way of security only) either directly or indirectly (including by means of the direct or indirect control of one or more intermediate corporations or other entities) of 50 per cent of the ownership interests of such partnership, joint venture or other entity in circumstances where it can reasonably be expected that such person directs the affairs of such partnership, joint venture or other entity;

and the words "**Controlled by**", "**Controlling**" and similar words have corresponding meanings;

(u) "**Default Notice**" has the meaning ascribed thereto in Section 10.2 below;

(v) "**Defaulter**" has the meaning ascribed thereto in Section 10.1 below;

(w) "**Determiner**" means an accountant, planner or other professional with at least 10 years' experience in real estate development and construction matters who is at all relevant times:

(i) disinterested in the transactions contemplated by this Agreement;

(ii) deals at arm's length with the Limited Partners and their Related Entities;

(iii) has not, and whose firm has not, represented either of the Limited Partners or their related entities in the last five years; and

(iv) is familiar with relevant market terms and industry standards;

(x) "**Distributable Cash**" has the meaning ascribed thereto in Section 7.1 below;

(y) "**Encumbrances**" has the meaning ascribed thereto in Section 11.3 below;

(z) "**Event of Default**" means, with respect to any of the Partners, the occurrence of any of the following:

(i) a failure by such Partner to pay its Proportionate Share of the Additional Capital as set out in a Notice to Contribute as required under Section 5.5 below within ten (10) days after the date of the giving of a Contribution Default Notice in respect of such failure pursuant to Section 5.6 below;

(ii) a failure by such Partner to repay any Contribution Loan owing by it in full together with all interest accrued thereon forthwith upon demand therefor;

(iii) if such Partner shall sell, transfer, assign, convey, exchange or otherwise dispose of all or any part of its LP Units or its rights under this Agreement contrary to Section 8.1 below, or grant, create, assure, incur or consent to any mortgage, charge, lien or other encumbrance upon all or any part of its LP Units contrary to Section 8.3 below;

(iv) if such Partner (or its Related Entity) shall otherwise be in breach of any term of this Agreement;

(v) if such Partner or its Related Entity is in breach of any term of (a) the shareholders agreement with respect to the General Partner (the "**Shareholders Agreement**") (b) shareholders agreement with respect to 6910 HWY7 Management Inc., or (c) the nominee agreement with respect to the Nominee;

(vi) if an Event of Insolvency occurs with respect to such Partner;

(aa) "**Event of Insolvency**" means, with respect to any of the Partners, any of the following:

(i) such Partner taking or consenting to any resolution or action for or in respect of its liquidation, dissolution or winding up, whether by extra-judicial means or under any statute of any applicable jurisdiction, making an assignment for the benefit of its creditors or any substantial number or portion of its creditors, filing an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation or any comparable statute of any applicable jurisdiction, or taking or consenting to any resolution or action for or in respect of a proposal for any reorganization, arrangement, compromise, compounding, scheme or arrangement, composition, extension of time or moratorium of or in respect of any of its debts or obligations, whether by extra-judicial means or under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or any successor legislation or any comparable statute of any applicable jurisdiction;

(ii) a custodian, receiver, manager, receiver and manager, receiver-manager, sequestrator, agent for a secured creditor or other person with similar powers being appointed for any substantial portion of the properties or

assets of such Partner, whether by a court or by extra-judicial means if the appointee is not removed within sixty (60) days; or

(iii) a petition or other legal process for or in respect of its bankruptcy, insolvency, liquidation, dissolution or winding up being issued or presented or filed against such Partner, unless the same is dismissed or discharged within thirty (30) days and during such period the effectiveness of such petition or other legal process is stayed;

(bb) "**Existing Loan**" means the loan from Cimberg to 256 pursuant to a loan agreement dated May 5, 2017, 2017;

(cc) "**Fair Market Value**" means, as at any date, the fair market value of the Limited Partnership at such date, it being acknowledged and agreed that the determination of Fair Market Value shall be the highest price estimated in terms of money which the Limited Partnership would bring if exposed for sale in the open market by a willing seller, allowing for a reasonable period of time to find a buyer, neither seller nor buyer acting under compulsion, both having knowledge of all the uses and purposes to which the Limited Partnership Assets are adapted and for which they are capable of being used, and both exercising reasonable judgement, taking into account, without limitation, such matters as the terms (whether favourable or unfavourable) of any existing mortgages or other encumbrances affecting Limited Partnership Assets and calculated without regard to the development management agreement with 6910 HWY7 Management Inc. and as though such development management agreement had not been entered into;

(dd) "**Financing**" has the meaning ascribed to it in Section 5.4 below;

(ee) "**First Mortgage**" means the charge in favour of Duca Financial Services Credit Union Ltd. in the principal amount of $24,000,000;

(ff) "**Fiscal Period**" means a fiscal period of the Limited Partnership;

(gg) "**GAAP**" means generally accepted accounting principles approved or recommended from time to time by the CPA Canada, or any successor institute, applied on a consistent basis;

(hh) "**GP Units**" has the meaning ascribed thereto in Section 5.1 below;

(ii) "**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, as amended;

(jj) "**Indemnifier**" has the meaning ascribed thereto in Section 2.7 below;

(kk) "**Indemnitee**" has the meaning ascribed thereto in Section 4.8 below;

(ll) "**Indemnitor**" has the meaning ascribed thereto in Section 5.4 below;

(mm) "**Lender**" has the meaning ascribed thereto in Section 8.3 below;

(nn) "**Limited Partner**" (herein sometimes collectively called the "**Limited Partners**") means each of 256 and Cimberg and their respective permitted successors and assigns as limited partners;

(oo) "**Limited Partnership**" means the limited partnership created by the Partners for the purposes of carrying on the business of the ownership, development and dealing with the Project Lands and the Limited Partnership Assets pursuant to the terms of this Agreement;

(pp) "**Limited Partnership Assets**" means, collectively, the Project Lands, the Project or any part(s) thereof or interests therein and all other assets and property, whether real or personal, now or at any time and from time to time hereafter during the continuation of the Limited Partnership owned by the Partners and used exclusively in connection with or arising out of the ownership, development and/or operation of the Project Lands or any part(s) thereof including, without limitation, cash on hand and on deposit and insurance proceeds and all other funds generated by the Project;

(qq) "**LP Units**" means the Class A Units and the Class B Units;

(rr) "**Mortgage Financing**" has the meaning ascribed thereto in paragraph 5.4 below;

(ss) "**Net Income**" or "**Net Loss**" for a Fiscal Period means the net income or net loss of the Limited Partnership, as the case may be, for such Fiscal Period, determined in accordance with GAAP;

(tt) "**Nominee**" means 6910 HWY7 Inc.;

(uu) "**Non-Contributor**" has the meaning ascribed thereto in Section 5.6 below;

(vv) "**Non-Defaulter**" has the meaning ascribed thereto in Section 10.1 below;

(ww) "**Notice to Contribute**" has the meaning ascribed thereto in Section 5.5 below;

(xx) "**Offer Value**" has the meaning ascribed thereto in paragraph 9.2(a) below;

(yy) "**Offeree**" has the meaning ascribed thereto in Section 9.2 below;

(zz) "**Offeror**" has the meaning ascribed thereto in Section 9.2 below;

(aaa) "**Option Notice**" has the meaning ascribed thereto in Section 10.3 below;

(bbb) "**Partners**" means, collectively, the General Partner and the Limited Partners;

(ccc) "**person**" means and includes individuals and the heirs, executors, administrators, or other legal representatives of an individual, sole proprietorships, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, co-tenancies, associations, companies, trusts, trustees, any unincorporated organizations or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof;

(ddd) "**Preferential Distribution**" has the meaning ascribed thereto in Section 7.1(a);

(eee) "**Prime Rate**" means the annual rate of interest announced from time to time by RBC (or any successor thereto) as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada;

(fff) "**Project**" means the Project Lands and the development and construction thereon of a mixed use development in multiple phases including all site servicing, buildings, parking facilities, and other improvements and all landscaping and interior decoration, all plant, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto, to be constructed on, above or under the surface of the Project Lands;

(ggg) "**Project Lands**" means the lands and premises described in Schedule "A" attached hereto including, without limitation, all buildings and improvements from time to time located thereon and rights, benefits and appurtenances related thereto;

(hhh) "**Proportionate Share**" means, with respect to a Limited Partner at any particular time, the proportion that the number of Class B Units owned by such Limited Partner bears to the total number of Class B Units outstanding at that time;

(iii) "**Proportionate Share of Fair Market Value**" has the meaning ascribed thereto in Section 10.1 below;

(jjj) "**Purchase Price**" has the meaning ascribed thereto in Section 10.1 below;

(kkk) "**Purchaser**" has the meaning ascribed thereto in Section 10.3 below;

(lll) "**Record of Limited Partners**" means the record of the Limited Partnership required to be maintained pursuant to Section 12.2;

(mmm) "**Register**" has the meaning ascribed thereto in Section 2.8 below;

(nnn) "**Registration**" has the meaning ascribed thereto in Section 2.1 below;

(ooo) "**Related Entity**" means, with respect to a Limited Partner, any entity controlled by or under common control with such Limited Partner;

(ppp) "**Resolution of Limited Partners**" means:

(i) a resolution passed by the affirmative vote of Limited Partners holding in the aggregate not less than 100% of the outstanding Class B Units at a meeting of the Limited Partners; or

(ii) a resolution consented to in writing by Limited Partners holding in the aggregate not less than 100% of the outstanding Class B Units;

(qqq) "**Shareholders Agreement**" has the meaning ascribed thereto in the definition of Event of Default above;

(rrr) "**Stabilization Period**" means the period of time commencing on the date hereof and ending on the date which is 2 years following the date hereof;

(sss) "**Substituted Partner**" means an assignee of a Unit where all conditions and restrictions on the transfer of such Unit as contained in this Agreement have been complied with;

(ttt) "**Trustee**" has the meaning ascribed thereto in Section 9.2 below;

(uuu) "**Taxable Income**" or "**Taxable Loss**", in respect of any fiscal period, means the amount of income or loss of the Partnership, respectively, for such period as determined in accordance with the provisions of the ITA (including the amount of the taxable capital gain or allowable capital loss from the disposition of capital property of the Partnership as determined in accordance with the provisions of the ITA);

(vvv) "**Units**" has the meaning ascribed thereto in Section 5.1 below.

1.2 Headings

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

1.3 Number and Gender

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

1.4 Currency

All dollar amounts referred to in this Agreement are in Canadian funds.

1.5 Schedules

The following schedules attached hereto are incorporated into this Agreement and deemed to be a part thereof:

Schedule "A" – Description of the Project Lands

ARTICLE 2 – THE LIMITED PARTNERSHIP

2.1 Formation

The Limited Partnership was formed pursuant to the Act by the filing of a Declaration of a Limited Partnership executed by the General Partner (the "**Registration**") on April 21, , 2017.

2.2 Purposes and Scope

The Limited Partnership is formed and this Agreement is entered into only for the following purposes which shall not be extended by implication or otherwise except by Resolution of the Limited Partners:

(a) the acquisition, ownership and management of the Project Lands and the other Limited Partnership Assets;

(b) the development and construction of the Project on the Project Lands;

(c) the sale or leasing of the Project Lands or parts thereof; and

(d) such other activities and operations as are reasonably incidental or ancillary to the foregoing.

2.3 Term

The term of the Limited Partnership commenced upon the filing of the Registration and shall continue for a period of being the earlier of: (i) the date when there are not at least two Partners (or their respective successors and assigns) who hold a Unit or have any obligations or liabilities relating to the Limited Partnership and the Limited Partnership Assets; and (ii) such date as the Partners may unanimously agree upon in writing. No Partner may withdraw or retire from the Limited Partnership except on a transfer of such Partner's Unit(s) in accordance with the provisions of this Agreement.

2.4 Financial Year

The financial year of the Limited Partnership shall end on the 31st day of December in each year or on such other date as the General Partner may determine.

2.5 Name

The Limited Partnership shall be known as 6910 Highway Seven Limited Partnership or other such other name as the General Partner may determine from time to time.

2.6 Principal Place of Business

The principal place of business of the Limited Partnership shall be 1 West Pearce St, Richmond Hill, ON L4B 3K3, or such other place as the General Partner may determine from time to time.

2.7 Partnership Expenses/Indemnification

Each of the Partners agrees to be liable for its Proportionate Share of all costs, charges and expenses of the Partners relating to the Limited Partnership or the Limited Partnership Assets entered into, incurred or sustained by them pursuant to and in accordance with this Agreement. For greater certainty, any land transfer tax shall not be considered an expense of the Partners related to the Limited Partnership and shall be payable by the Partner incurring such expense.

Each of the Partners (the "**Indemnifier**") hereby indemnifies and agrees to save harmless each of the other Partners from and against the Indemnifier's Proportionate Share of all liabilities, obligations, claims, debts, losses, damages, costs, charges and expenses of the Partners relating to the Limited Partnership or the Limited Partnership Assets entered into, incurred or sustained by them pursuant to and in accordance with this Agreement. Each of the Partners hereby agrees to contribute as additional capital to the Limited Partnership, such Partner's share of the financial cost to comply with the foregoing.

2.8 Register

The General Partner shall at all times maintain a current record of the Limited Partners (the "**Register**") in accordance with the provisions of the Act in which there shall be recorded

the names and addresses of the Partners, the LP Units owned by each Limited Partner, the particulars of any and all transfers of LP Units and such other matters as may be required under the Act.

2.9 Registered Holder Treated as Owner

The Limited Partnership and the General Partner shall be entitled to treat the registered holder of any LP Unit as the absolute owner thereof and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to see the execution of any trust, whether express, implied or constructive, in respect of any LP Unit, or to realize any other claim to or interest in such LP Unit on the part of any person other than the registered holder thereof.

2.10 Death or Withdrawal of Limited Partner

For greater certainty, the death or withdrawal of any Limited Partner, or admission of a new limited partner will not be deemed to dissolve the Limited Partnership.

2.11 Events not causing Dissolution

The Limited Partnership shall not be dissolved or terminated by it ceasing to carry on business or by the resignation, removal, bankruptcy, insolvency, amalgamation, dissolution, liquidation, winding up or receivership of the General Partner (until such time as the General Partner has been replaced pursuant to this provisions of this Agreement) or of any Limited Partners.

2.12 Title

Legal title to the Project and all other property of the Partnership shall be registered in the name of the General Partner or such nominee company as the General Partner may designate as nominee, agent and bare trustee for, on behalf of, and for the benefit of, the Limited Partnership, including the Nominee. The General Partner may from time to time require any such nominee to execute and deliver declarations of trust in favour of the Limited Partnership and other documents evidencing the beneficial title of the Limited Partnership in such property held in the name of such nominee. Forthwith upon the resignation or removal of the General Partner and the appointment of a successor general partner, title to all property and assets of the Limited Partnership held by the General Partner shall be transferred to such new general partner or such nominee as the new general partner may direct.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES OF THE PARTNERS

3.1 Status of Limited Partners

Each of the Limited Partners represents and warrants to and covenants with each of the others of them that such Limited Partner:

(a) has the capacity to enter into and be bound by this Agreement;

(b) has done no act to encumber or otherwise subject any LP Units of such Limited Partner to any claims or interests of any other except as expressly permitted by this Agreement or pursuant to the Existing Loan; and

(c) is not and shall not become a "non-resident" of Canada within the meaning of the ITA;

and shall from time to time at the request of the General Partner provide such evidence of compliance with such representations, warranties and covenants as the General Partner may reasonably request.

3.2 Status of General Partner

The General Partner represents and warrants to and covenants with each of the Limited Partners that it:

(a) is not and shall not become a "non-resident" of Canada within the meaning of the ITA;

(b) has and shall continue to have, so long as it is the General Partner of the Limited Partnership, the power and capacity to act as general partner of the Limited Partnership and to enter into, be bound by and perform its obligations under this Agreement;

(c) is and will continue to be duly registered and qualified to carry on business and has and will continue to have all requisite authority, licenses and permits to carry on the business of the Limited Partnership in the Province of Ontario; and

(d) has never conducted any business other than as contemplated in this Agreement and is not, at the time hereof, a party to or obligated under the terms or provisions of any agreement, contract or arrangement whether written or oral which would bind or affect the Limited Partnership;

and shall from time to time at the request of any Limited Partner provide such evidence of compliance with such representations, warranties and covenants as any such Limited Partner may reasonably request.

3.3 No Other Activities

The General Partner agrees that it shall not engage in any undertaking or activity other than as contemplated in this Agreement.

3.4 Survival

The representations and warranties contained in this Agreement shall not merge on Closing but shall continue in full force and effect for the benefit of the party entitled thereto.

ARTICLE 4 – GOVERNANCE AND OPERATION OF THE PARTNERSHIP

4.1 Management of the Limited Partnership

Subject to the express terms of this Agreement, the General Partner has full, complete and exclusive authority to manage, control, administer and operate the business and affairs of the Limited Partnership and, subject to Section 4.2 below, to make all decisions and do all acts regarding the business of the Limited Partnership, including the borrowing of moneys and the incurring of indebtedness on behalf of the Limited Partnership and the provision of security against the Limited Partnership Assets in respect thereof. Pursuant to the foregoing, the General Partner shall have all of the rights and powers of a general partner as provided in the Act and as otherwise provided by law, and any action taken by the General Partner shall constitute the act of and serve to bind the Limited Partnership. In dealing with the General Partner acting on behalf of the Limited Partnership, no person shall be required to inquire into

the authority of the General Partner to bind the Limited Partnership. Persons dealing with the Limited Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Agreement.

4.2 Decisions of General Partner

(a) Each decision required to be made by the General Partner shall be made in good faith in the best interests of the Limited Partnership and strictly upon the merits of the matter in respect of which such decision is required, and shall not be unreasonably delayed.

(b) All decisions taken and resolutions passed by the General Partner in accordance with this Agreement shall be binding on each of the Partners.

4.3 Exercise and Powers and Degree of Care

The General Partner shall exercise its powers and discharge its duties under this Agreement honestly, in good faith, and in the best interests of the Limited Partnership, and of the Partners as a group and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person providing services of a similar nature would exercise in comparable circumstances.

4.4 Filings by the General Partner

Promptly following the execution of this Agreement or any amendment hereof, the General Partner shall cause such filings as are required in all appropriate places in the Province of Ontario, and shall execute, file, report or publish all documents and do all other acts necessary:

(a) to comply with all requirements for the formation and operation of the Limited Partnership under the laws of the Province of Ontario, including all filings and registrations which are necessary to continue the qualification of the Limited Partnership as a limited partnership under the laws of the Province of Ontario;

(b) to limit the liability of the Limited Partners as provided for in this Agreement; and

(c) to vest and confirm on the Limited Partnership the power to own the Limited Partnership Assets and carry on the business of the Limited Partnership as contemplated in this Agreement.

4.5 Liability of the General Partner

The General Partner shall be responsible and liable for the debts, obligations and any other liabilities of the Limited Partnership in the manner and to the extent required by the Act and as set forth in this Agreement.

4.6 Safekeeping of Assets

The General Partner shall have a fiduciary responsibility for the safekeeping and use of all funds and assets of the Limited Partnership, whether or not in its immediate possession or control, and the General Partner shall not employ or permit another to employ such funds and assets in any manner except for the exclusive benefit of the Limited Partnership.

4.7 Limitation of Liability

Neither the General Partner nor any of the officers, directors, shareholders or em shall be liable, responsible or accountable in damages or otherwise to the Limited Par or any Limited Partner for any action taken or failure to act on behalf of the Limited Par within the scope of the authority conferred on the General Partner by this Agreement o unless such action or omission was performed or omitted fraudulently or in bad constitutes wanton and wilful misconduct or negligence.

4.8 Indemnification of General Partner

The Limited Partnership shall indemnify and hold harmless the General Par officers, directors, shareholders, employees and agents (each an "**Indemnitee**") fr against any losses, costs, expenses, damages or liabilities suffered or sustained by it by of any acts, omissions or alleged acts or omissions (even if such acts or omissions co the negligence of such Indemnitee) arising out of its activities on behalf of the Partnership or in furtherance of the interest of the Limited Partnership, including but nc to any judgment, award, settlement, reasonable legal fees and other costs or expenses in connection with the defence of any actual or threatened action, proceedings or cl including any payments made by the General Partner to any of its officers, emplc directors, provided that the acts, omissions or alleged acts or omissions upon which suc or threatened actions, proceedings or claims are based were done or were omitted to in good faith and were not performed or omitted fraudulently or in bad faith or as a wanton and wilful misconduct or negligence of such Indemnitee and provided any suc expenses, damages, or liabilities are not covered or are not required pursuant to the this Agreement to be covered by insurance.

4.9 Indemnity of Partnership and/or Limited Partners by General Partner

The General Partner shall indemnify and hold harmless the Limited Partnershi the Limited Partners from any losses, costs, expenses, damages, or liabilities suf incurred by the Limited Partnership and/or the Limited Partners resulting from or arisir the wilful misconduct or negligence or fraudulent act of the General Partner, its directors, shareholders and/or employees. The foregoing indemnity shall inclu expenses incurred by the Limited Partnership to defend any action, suit or pr commenced by a third party based in whole or in part upon the foregoing, if the defenc is substantially unsuccessful with respect to such allegations.

4.10 Restrictions upon General Partner

(a) The General Partner shall not be paid for providing to the Limited Pa any services in addition to those required of it under the terms of this Ag unless agreed to by Resolution.

(b) The General Partner shall not cause the Limited Partnership to guara obligations or liabilities of or make any loans to the General Partner or a party.

(c) The funds of the Limited Partnership shall not be co-mingled with fun General Partner or any other party.

4.11 Expenses

All reasonable expenses incurred by the General Partner in managing, administering and conducting the business of the Limited Partnership, including the cost of such professional, technical, administrative and other services and advice as it shall deem necessary shall be paid by the Limited Partnership.

4.12 Removal of General Partner

The Limited Partners shall, by Resolution of the Limited Partners, have the right, at any time, to replace the General Partner with a third party to act as the new General Partner of the Limited Partnership and such third party shall, in such event, for all purposes be deemed to be and shall have all the powers of the General Partner in the place and stead of the General Partner. Any such replacement of the General Partner shall not be construed to enable any Limited Partner to take part in the control of the management or business of the Limited Partnership.

4.13 Limitations of the Authority of Limited Partners

None of the Limited Partners shall be entitled to:

(a) take part in the control of the business of the Limited Partnership;

(b) take part in the management of the business of the Limited Partnership;

(c) execute any document which binds or purports to bind the Limited Partnership;

(d) purport to have the power or authority to bind the Limited Partnership;

(e) have any authority to undertake any obligation or responsibility on behalf of the Limited Partnership;

(f) withdraw as a partner of the Limited Partnership except as specifically provided for herein.

4.14 Limited Liability of Limited Partners

Upon all necessary filings being made in accordance with the Act, the personal liability of a Limited Partner arising out of or in any manner relating to the Limited Partnership and its activities and obligations shall be limited as provided in the Act.

4.15 Non-Residency

A Limited Partner which intends to become a non-resident, prior to its becoming a non-resident, is required to either:

(a) transfer its LP Units to a corporation resident in Canada within the meaning of the ITA; or

(b) transfer its LP Units to a person resident in Canada within the meaning of the ITA;

provided that any such transfer shall be in compliance with the provisions of Article 8 of this Agreement. If any such transfer is to a party which is not then a Limited Partner, then such party

shall agree in writing to be bound by all provisions of this Agreement as a Limited Partner and shall agree to be bound by all obligations of the Limited Partner from which the LP Units were transferred.

4.16 Banking

A bank account or accounts shall be opened and maintained for the Limited Partnership in the name of the Limited Partnership or the General Partner at such other bank or branch as the General Partner shall from time to time determine by resolution. Funds received by the Limited Partnership shall be deposited into such bank account in the form received, and disbursements on account of the Limited Partnership shall be made by cheques drawn on the Limited Partnership's bank. All cheques and other withdrawals drawn on such bank account and all other banking documents, including authorizations and security documents in connection therewith required to be executed by the Limited Partnership from time to time shall be executed by such person or persons as the General Partner shall from time to time designate in accordance with the terms of the Shareholders Agreement.

4.17 Execution of Instruments

All deeds, contracts, transfers, assignments, mortgages, leases and other documents or instruments which the Limited Partnership is to execute shall be executed on its behalf by such persons as the General Partner may from time to time determine in accordance with the terms of the Shareholders Agreement.

4.18 Books and Records

The books and records of the Limited Partnership including, without limitation, records of all receipts and disbursements of the Limited Partnership and relating to the Limited Partnership Assets, shall be kept at the principal place of business of the Limited Partnership unless the General Partner otherwise determines. Each of the Partners shall have the right to inspect, examine and copy all such books and records at any time during normal business hours upon reasonable notice to the General Partner.

4.19 Accountants and Financial Statements

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The Accountants of the Limited Partnership (the "**Accountants**") shall be ~~Deloitte LLP~~ or such chartered accountant or firm of chartered accountants as the General Partner shall from time to time appoint by resolution. The Accountants shall prepare financial statements of the Limited Partnership for each financial year of the Limited Partnership, and provide copies thereof to each of the Partners within 180 days after the end of such financial year.

4.20 Tax Matters

Without limiting the generality of the rights and powers of the General Partner pursuant to the provisions of this Agreement, the General Partner is hereby expressly authorized for and on behalf of and in the name of the Limited Partnership to file or execute on behalf the Limited Partnership, but not on behalf of any of the Limited Partners, any and all returns, and other documents, instruments or elections, designations, determinations and objections for tax or other purposes of any kind, including but not limited to any income tax and annual returns required by any governmental or like authority.

ARTICLE 5 – PARTNERS, LP UNITS AND CAPITAL CONTRIBUTIONS

5.1 Units

The interests of the Limited Partners in the Limited Partnership shall be divided into and represented by 16,000,000 Class A Limited Partnership Units (the "**Class A Units**") and an unlimited number Class B Limited Partnership Units (the "**Class B Units**").The interests of the General Partner in the Limited Partnership shall be divided into and represented by an unlimited number of units designated as "**GP Units**" and together with the LP Units, "**Units**". Each of the Units will represent an interest in the Limited Partnership having the rights set forth in Section 5.2, and will entitle the holder thereof to the rights and benefits of this Agreement. Except as otherwise specified in this Agreement, no Partner will have any preference, priority or right in any circumstance over any other Partner in respect of the Units held. The Units shall be certificated and shall be considered securities pursuant to the *Securities Transfer Act*, Ontario,

5.2 Attributes of Units

The Units of the Limited Partnership will have attached thereto the preferences, rights, restrictions, conditions and limitations as provided in this Agreement and as follows:

(a) the holders of Units will have the right to share in allocations of Net Income, Net Loss, Taxable Income and Taxable Loss as provided for in this Agreement including, without limitation, Article 6 below;

(b) the holders of Units will have the right to share in distributions of Distributable Cash to Partners and to receive the remaining property of the Limited Partnership on dissolution or winding up in accordance with the terms of this Agreement;

(c) the Class A Units shall be retractable by the Limited Partnership for an amount equal to $1 per Unit in accordance with Section 7.1(a) below; and

(d) the holders of the Class B Units will have the right to receive notice of and to attend any meetings of the Partners of the Limited Partnership, and the holders of the Class B Units will be entitled to one (1) vote for each Class B Unit held by them as set out in Section 13.6 below. The holders of the Class A Units shall not be entitled to notice of meeting or any votes at such meetings, and their sole right shall be the right to receive the Preferential Distribution.

5.3 Capital Accounts

The Partnership shall maintain Capital Accounts for the Limited Partners and for the General Partner and such other accounts as may be necessary or desirable in the opinion of the General Partner.

No interest shall be paid to any Partner on any amount in its capital account, and no interest of a Partner in the Partnership shall terminate by reason of there being a negative or zero balance in that Partner's Capital Account. A Partner shall not have the right to withdraw any amount or receive any distribution or draw from the Limited Partnership except as expressly provided for in this Agreement.

5.4 Sources of Financing

The intention of the Partners is that, to the extent available on reasonable commercial terms, the capital required by the Limited Partnership, including, without limitation, construction financing, will be obtained from interim or long-term loans from a bank or other institutional lender secured by a mortgage/charge of the Project Lands ("**Financing**").

The intention of the Partners is that, to the extent possible, Financing will be without recourse to the Limited Partners, but each Limited Partner hereby covenants and agrees that, if required by a lender, it shall provide a guarantee of the obligations of the Limited Partnership to such lender. It is agreed that as among themselves, any and all liability of the Partners in relation to Mortgage Financing shall be limited to their respective Proportionate Shares of the aggregate amount of such liability, and each of the Partners (the "**Indemnitor**") hereby indemnifies and agrees to save harmless each of the other Partners from and against the Indemnitor's Proportionate Share of all such liabilities.

5.5 Further Contributions of Capital

In the event that the General Partner determines that further capital is or will be required at any time or times for the purposes of the Limited Partnership in addition to the capital available to the Limited Partnership from the sources referred to in Section 5.4 above ("**Additional Capital**"), the General Partner shall give simultaneously to each of the Partners a written notice of such requirement for Additional Capital (a "**Notice to Contribute**") setting out the total amount of Additional Capital required and the Proportionate Share thereof of each of the Partners.

Unless the Partners otherwise unanimously agree in writing, each of the Partners agrees to advance its Proportionate Share of such Additional Capital as and when same is required for the purposes of the Limited Partnership as set out in any Notice to Contribute by cheque or bank draft payable to the Limited Partnership, delivered to the Limited Partnership at the principal place of business of the Limited Partnership on or before the date which is thirty (30) days after the giving of such Notice to Contribute or such later contribution date as may be specified in the Notice to Contribute (the "**Contribution Date**"). A failure by any Partner to pay its Proportionate Share of the Additional Capital as set out in a Notice to Contribute as required under Section 5.5 within ten (10) days after the date of the giving of a Contribution Default Notice in respect of such failure pursuant to Section 5.6 below shall be an Event of Default.

5.6 Contribution Default Notice

If either of the Limited Partners (a "**Non-Contributor**") fails to advance its Proportionate Share of the Additional Capital set out in a Notice to Contribute by the Contribution Date, the General Partner shall give written notice of such failure (a "**Contribution Default Notice**") simultaneously to the Non-Contributor and to the other Limited Partner (the "**Contributor**"); provided that if the General Partner fails to give any required Contribution Default Notice within ten (10) Business Days after the Contribution Date, then the Contributor may give such Contribution Default Notice to the Non-Contributor and the Contribution Default Notice so given shall have the same effect hereunder as if it had been given by the General Partner.

5.7 Suspension of Voting Rights

In the event that either of the Limited Partners fails to advance its Proportionate Share of the Additional Capital set out in a Notice to Contribute by the Contribution Date and a Contribution Default Notice is given pursuant to Section 5.6 above, then notwithstanding any other provision contained in this Agreement or elsewhere, so long as such default continues, such Limited Partner shall cease to have voting rights with respect to the Class B Units held by it and shall not be included in determining quorum for meetings of the Limited Partners.

5.8 Contribution Loans

If the Non-Contributor does not remedy its failure to advance its Proportionate Share of the Additional Capital as set out in the Notice to Contribute within twenty-one (21) days after the date of the giving of a Contribution Default Notice with respect to such failure, then at any time after the expiration of such 21-day period, so long as the Non-Contributor has not remedied such failure, the Contributor, provided that it has advanced its Proportionate Share of the Additional Capital as set out in the Notice to Contribute, shall have the right, at its option, to pay the Non-Contributor's Proportionate Share of such Additional Capital to the Limited Partnership in addition to the Contributor's Proportionate Share, and such payment shall constitute and be deemed to be a loan advanced by the Contributor to the Non-Contributor. Any loan deemed to be made to the Non-Contributor by the Contributor pursuant to and as provided in this Section shall be referred to herein as a "**Contribution Loan**". Any and all Contribution Loans shall be payable on demand by the Non-Contributor to the Contributor, and shall bear interest calculated and payable monthly at the Prime Rate plus five percent (5%) per annum for three months following the initial advance of such Contribution Loan and twenty four percent (24%) thereafter.

5.9 Security Interest

So long as a Contribution Loan or interest thereon is outstanding and owing to any of the Contributors, any and all distributions and payments from the Limited Partnership which would otherwise be payable to the Non-Contributor shall be payable to the Contributor, first on account of interest and then on account of principal, which advanced such Contribution Loan on account of such Contribution Loan and interest thereon, and such Contributor shall have a charge against and security interest in all such distributions and payments.

To secure its obligations under this Agreement including the repayment of any Contribution Loan, each of the Limited Partners hereby charges, grants a security interest in and assigns by way of security, all monies, payments and proceeds payable in respect of its LP Units including, without limitation, its right to receive any distributions from the Limited Partnership, to and in favour of the other Limited Partner, it being the intent that a charge, security interest, lien or encumbrance be created or imposed on all monies, payments and proceeds payable in respect of each Limited Partner's Units in favour of the other Limited Partner and that the other Limited Partner shall have, in addition to all other rights and remedies available at law and under this Agreement, all rights and remedies of a secured party under the *Personal Property Security Act* (Ontario) as amended from time to time. Each Limited Partner agrees to execute and deliver such documents or instruments as may reasonably be required to give effect to the foregoing, and each Limited Partner hereby consents to a registration in respect of such documents or instruments under the said Act. Any such registrations shall be postponed to project financing for the purposes of the Limited Partnership if required by the lender and to any amounts payable by on account of the Existing Loan.

ARTICLE 6 – ALLOCATIONS AND DISTRIBUTIONS TO THE PARTNERS

6.1 Allocation of Net Income and Taxable Income

The Net Income and Taxable Income (if any) of the Limited Partnership shall, for all purposes including, without limitation, taxation, be allocated among the Partners as follows:

(a) first, as to $16,000,000 to 256 on account of the Preferential Distribution; and

(b) after allocation of the Preferential Distribution, as to 0.01% to the General Partner and as to 99.99% of the Net Income, to the Limited Partners in accordance with their respective Proportionate Shares.

6.2 Allocations of Net Loss and Taxable Loss

The Net Loss and Taxable Loss (if any) of the Limited Partnership for each Fiscal Period shall, for all purposes including, without limitation, taxation, be allocated among the Partners as follows:

(a) to the General Partner, an amount equal to 0.01% of the Net Loss to be allocated; and

(b) the balance, being 99.99% of the Net Loss to be allocated, to the Limited Partners in accordance with their respective Proportionate Shares.

6.3 Allocations as at the End of Each Fiscal Period

Unless otherwise provided herein or agreed to in writing by all of the Partners, allocations of Net Income or Net Loss in respect of each Fiscal Period shall occur at the end of such Fiscal Period to the Partners of record as at the end of such Fiscal Period.

6.4 Admission of a Partner

A person shall be deemed to have become a Partner for purposes of this Agreement only from the date that such person has become a party to and bound by this Agreement and, except for a Substituted Partner, has paid the consideration for the issuance of its Units.

6.5 Allocation if Unit Transferred

If at any time during any Fiscal Period of the Limited Partnership, a Partner shall assign or transfer its Units in the Limited Partnership in accordance with the provisions of this Agreement, no share of Net Income or Net Loss of the Limited Partnership to the date of transfer with respect to such Units shall be allocated to such Partner's capital account as at the date of sale or transfer, but shall be credited to the capital account of the Substituted Partner being the registered owner of such Units as at the end of such Fiscal Period of the Limited Partnership.

ARTICLE 7 – DISTRIBUTIONS AND PURCHASE OF LP UNITS

7.1 Distributions in Discretion of General Partner

The General Partner may, from time to time in its discretion, distribute such available cash of the Limited Partnership as is not necessary for the conduct of the Business ("**Distributable Cash**"). The General Partner shall retain in the Limited Partnership as a

reserve such funds as are prudent with respect to accrued or future obligations, debts and liabilities of the Limited Partnership and also contingent or unforeseen liabilities or obligations of the Limited Partnership. Distributions of Distributable Cash shall be made,

(a) first as to an amount equal to $16,000,000 (the "Preferential Distribution") to the holders of the Class A Units, which amount shall be used to retract the Class A Units and for each $1 so distributed one Class A Unit shall be cancelled;

(b) thereafter as to 0.01% thereof, to the General Partner, and as to the remaining 99.99% thereof, to the Limited Partners in their respective Proportionate Shares.

7.2 Entitlement to Distributions

Subject to any provision to the contrary in the Act, partners of record at the time of a distribution shall be the Partners to whom such distribution shall be made.

7.3 Manner of Payment

(a) Distributions payable pursuant to Section 7.1 will be paid in cash. Any payment of cash by the General Partner to a Limited Partner pursuant to this Agreement will be conclusively deemed to have been made upon mailing of a cheque in a postage pre-paid envelope, addressed to the partner at the Limited Partner's address appearing in the Register, unless such cheque is dishonoured upon presentment. Upon such payment, the General Partner will be discharged from all liability to the Limited Partner in respect of such payment; provided, however, that if such cheque is lost or destroyed then, upon the presentation of evidence satisfactory to the General Partner of such loss or destruction, together with such indemnity as the General Partner may reasonably require, the General Partner will issue a replacement cheque to the Limited Partner.

(b) Notwithstanding the foregoing, the General Partner, in lieu of forwarding or causing to be forwarded a cheque pursuant to paragraph 7.3(a) may enter into an agreement with a Limited Partner providing for the payment to such Limited Partner of amounts hereunder by electronic funds transfer or by any other method at a place or places other than the place or places specified in this Agreement. Any payment of any cash amount pursuant to such agreement will, notwithstanding any other provision of this Agreement, be valid and binding on the General Partner, the Limited Partnership and the relevant Limited Partner.

7.4 Repayments

If, as determined by the General Partner, it appears that any Limited Partner has received an amount under this Article 7 that is in excess of that Limited Partner's entitlement hereunder, the Limited Partner will, promptly upon notice from the General Partner, reimburse the Limited Partnership to the extent of the excess.

7.5 Withholding Rights

The Limited Partnership will be entitled to deduct and withhold from any amounts otherwise payable to the Limited Partners under this Agreement (on a distribution, exchange of LP Units or otherwise) any amounts the Limited Partnership is required or permitted to deduct and withhold with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended or superseded. To the extent that amounts are so withheld, the withheld amounts will be treated for all purposes as having been paid to the

holder of the LP Units in respect of which such deduction and withholding was made, provided that the withheld amounts (or equivalent amounts, if applicable) are actually remitted to the appropriate taxing authority.

ARTICLE 8 – RESTRICTIONS ON TRANSFER AND CHARGING OF LP UNITS AND CHANGES OF CONTROL

8.1 Restriction on Transfers of LP Units

Except as expressly permitted or required by any of the provisions of this Agreement, none of the Limited Partners shall either directly or indirectly (including by way of corporate reorganization, amalgamation or otherwise) sell, transfer, convey, exchange or otherwise dispose of all or part of its LP Units without the prior written approval of the General Partner (authorized by a resolution of its board of directors), which approval may be arbitrarily or unreasonably withheld.

8.2 Permitted Transfers

Notwithstanding Section 8.1 above, it is agreed that a transfer of LP Units by any Limited Partner to any Related Entity of such Limited Partner shall be permitted at any time or times without the prior written approval of the General Partner provided that, prior to such transfer written notice thereof is given to the General Partner and the other Limited Partner and the transferee executes and delivers to each of the then parties hereto an agreement by which it becomes a party to and bound by this Agreement; provided further and it is agreed that, notwithstanding any such transfer, the transferor shall not be released and after the completion of such transfer the transferor and the transferee shall be jointly and severally liable under this Agreement, and in case of transfer of Class A Units, provided further that the Existing Loan has been repaid in full.

After the completion of any of the transfers of LP Units permitted by this Section 8.2, unless the context or subject matter otherwise requires, all references in this Agreement to or which include the transferor Limited Partner or the LP Units owned by it shall extend to and include the transferee Limited Partner and the LP Units owned by it.

8.3 Restriction on Charging of LP Units

Other than as security for the Existing Loan and as expressly provided for herein, none of the Limited Partners shall either directly or indirectly grant, create, assume, incur or consent to any mortgage, charge, lien or other encumbrance upon all or part of its LP Units and/or its rights under this Agreement without the prior written approval of the General Partner authorized by a resolution of its board of directors, which approval may be arbitrarily or unreasonably withheld; provided and it is agreed that a mortgage, pledge or assignment by way of security only (a "**Charge**") by any of the Limited Partners of its LP Units to a Canadian schedule I or schedule II bank, trust company or other recognized financial institution (the "**Lender**") is hereby expressly permitted provided that the Charge is made on and subject to the following conditions:

(a) the Charge and the rights of the Lender thereunder will, by the express terms of the Charge, be subject to the provisions of this Agreement and the rights of the parties hereunder;

(b) neither the Charge nor any notice, caution or other registration relating thereto, will be registered against the title to the Project Lands;

(c) the Lender will be bound by the provisions of this Agreement upon any enforcement of the Charge; and

(d) the Lender will give to the General Partner written notice of any default under the Charge and a period of not less than thirty (30) days to remedy the same before exercising any of the remedies thereunder.

8.4 Change of Control of Limited Partner

None of the Limited Partners shall cause or permit Control of such Limited Partner to change such that such Limited Partner ceases to be Controlled by one or more Related Entities of such Limited Partner without the prior written approval of the General Partner.

ARTICLE 9 – BUY-SELL

9.1 Suspension of Rights to Give Buy/Sell Notice

The rights of the Partners to give a Buy/Sell Notice pursuant to Section 9.2 below shall be inoperative during the following periods, and any offering notice purported to be given by any of them during any such period shall be null and void and of no force and effect:

(a) the Stabilization Period;

(b) upon and after the giving of a Default Notice pursuant to and in accordance with Section 10.2 below until the Event of Default with respect to which such Default Notice was given is cured or the transaction of purchase and sale provided for in Article 10 is completed or otherwise at an end; and

(c) upon and after the giving of a Buy/Sell Notice pursuant to and in accordance with Section 9.2 below until the transaction of purchase and sale provided for in this Article 9 is completed or otherwise at an end.

9.2 Buy/Sell Notice

Each of the Limited Partners (the "**Offeror**"), provided that it is not then in default under this Agreement, may give to the other Limited Partner (the "**Offeree**"), a written notice (in this Article 9, the "**Buy/Sell Notice**") containing the following:

(a) a net value for each Class B Unit issued and outstanding and a net value for each Class A Unit issued and outstanding (the "**Offer Value**");

(b) an irrevocable and unconditional offer to purchase from the Offeree all but not less than all of the LP Units owned by the Offeree for a purchase price payable on closing equal to the Offer Value with respect to a given class of Units multiplied by the number of units of such class held be such Offeree; and

(c) an irrevocable and unconditional offer to sell to the Offeree all but not less than all of the LP Units owned by the Offeror for a sale price payable on closing equal to the Offer Value with respect to a given class of Units multiplied by the number of units of such class held by such Offeror.

Simultaneously with the giving of the Buy/Sell Notice to the Offeree, the Offeror shall give in trust to a solicitor or firm of solicitors mutually agreed upon by the Offeror and the Offeree or, failing such agreement, to the Accountants (the "**Trustee**") its certified cheque or a bank draft

payable to the Trustee in an amount equal to 10% of the purchase price referred to in paragraph (b) above, representing a deposit on account thereof, to be held by the Trustee and invested in an interest-bearing account, term deposit or other secure, short term investment at a Canadian chartered bank. At the Closing (provided for below) the Trustee shall disburse the said deposit to the Offeree. In the event that the Offeree purchases the LP Units owned by the Offeror pursuant to this Article 9, then upon the Closing, the Trustee shall return the said deposit to the Offeror.

9.3 Acceptance

The Offeree shall have the exclusive and irrevocable option for 30 days from its receipt of the Buy/Sell Notice to give to the Offeror a written notice (in this Article 9, an "**Acceptance Notice**") stating that such Offeree either:

(a) unconditionally accepts the Offeror's offer to purchase contained in the Buy/Sell Notice; or

(b) unconditionally accepts the Offeror's offer to sell contained in the Buy/Sell Notice.

At the time of the giving by the Offeree of an Acceptance Notice accepting the Offeror's offer to sell contained in the Buy/Sell Notice, the Offeree shall deliver to the Trustee its certified cheque or a bank draft payable to the Trustee, in trust, in an amount equal to 10% of the sale price referred to in Section (c) above, representing a deposit on account thereof, to be held by the Trustee and invested in an interest-bearing account, term deposit or other secure, short term investment at a Canadian chartered bank. At the Closing the Trustee shall disburse the said deposit to the Offeror. In the event that the Offeror purchases the LP Units owned by such Offeree pursuant to this Article 9, then upon the Closing the Trustee shall return the said deposit to the Offeree.

9.4 Binding Agreement

(a) In the event that, after the giving of a Buy/Sell Notice, the Offeree gives an Acceptance Notice pursuant to Section 9.3 above accepting the Offeror's offer to sell contained in the Buy/Sell Notice and such Acceptance Notice accepts such offer to sell with respect to all and not less than all of the Offeror's LP Units, then the receipt by the Offeror of such Acceptance Notice shall constitute a binding agreement for the sale by the Offeror to the Offeree and the purchase by such Offeree(s) of the LP Units owned by the Offeror.

(b) After the giving of a Buy/Sell Notice, in any event other than the event described in paragraph (a) of this Section 9.4, the Offeree shall be deemed to have accepted the Offeror's offer to purchase contained in the Buy/Sell Notice, and the Offeree shall be bound to sell its LP Units to the Offeror and the Offeror shall be bound to purchase such LP Units pursuant to this Article 9 for a purchase price equal to the amount set out in Section 9.3.

9.5 Payment of Purchase Price

Upon the Closing (as defined below) of the purchase and sale of LP Units pursuant to this Article 9, the purchaser shall pay the purchase price in full to the vendor by way of cash, bank draft or certified cheque (inclusive of the deposits provided for in Sections 9.2 and 9.3 above and all interest, if any, accrued thereon).

9.6 Closing Arrangements

(a) Any transaction of purchase and sale required to be completed in accordance with the foregoing provisions of this Article 9 shall be completed at noon on the day which is 60 days after the date of the giving of the Buy/Sell Notice or, if such day is not a Business Day, then on the first Business Day thereafter, and such completion (in this Article 9, the "**Closing**") shall take place at the principal place of business of the Limited Partnership, or at such other time, date or place as the parties to such transaction may agree upon in writing.

(b) The provisions contained in Article 11 of this Agreement shall apply, *mutatis mutandis*, to any purchase and sale of LP Units pursuant to this Article 9.

9.7 Failure to Close

If the purchaser fails to complete the Closing in accordance with this Agreement and through no default or breach on the part of the vendor, then the vendor may by giving a written notice to the purchaser within 30 days from the date of Closing, elect to either:

(a) retain the deposit, in which event the agreement of purchase and sale shall be of no further force and effect and all parties thereto shall be relieved and forever absolutely discharged from any further obligations to perform and liability thereunder or by virtue thereof; or

(b) purchase the LP Units owned by the purchaser at 90% of the purchase price agreed to be paid by the purchaser and the provisions of this Agreement respecting such transaction of purchase and sale shall govern, *mutatis mutandis*, on the basis the purchaser has become bound to sell its LP Units and the vendor has become bound to purchase the same on the date of giving of the notice of election (provided for above).

If no such notice of election is given by the vendor then the vendor shall be deemed to have elected to retain the deposit pursuant to paragraph (a) above.

In the event that the election contained in paragraph (a) above is made or deemed to be made then the Trustee shall, if it has not already, forthwith disburse the deposit received by it from the purchaser to the vendor, accordingly.

In the event that the election contained in paragraph (b) above is made then the Trustee shall retain the deposits delivered to it under Sections 9.2 and 9.3 above for disbursement at the Closing and the said clauses shall apply with respect thereto, *mutatis mutandis*.

ARTICLE 10– DEFAULT AND OPTION TO PURCHASE

10.1 Option to Purchase

If an Event of Default occurs with respect to either of the Limited Partners (a "**Defaulter**"), the other of the Limited Partners (the "**Non-Defaulter**") will, in addition to all other remedies available to it at law, in equity, by statute or otherwise, have the option, upon and subject to the terms and conditions provided for in this Article 10, to purchase the LP Units of the Defaulter for a purchase price (in this Article, the "**Purchase Price**") equal to the Fair Market Value of such Partner's interest in the Partnership ("**Proportionate Share of Fair Market Value**") as at the date of the occurrence of the Event of Default determined in accordance with Section 10.4 below:

(a) if such Event of Default is an Event of Insolvency, 100% of such Limited Partner's Proportionate Share of Fair Market Value; or

(b) if such Event of Default is any Event of Default other than an Event of Insolvency, 90% of such Limited Partner's Proportionate Share of Fair Market Value.

10.2 Default Notice

As soon as practicable after the occurrence of any Event of Default, the General Partner shall give written notice thereof (a "**Default Notice**") simultaneously to the Defaulter and to the Non-Defaulter; provided that if the General Partner fails to give any required Default Notice within 10 Business Days after the occurrence of the Event of Default, then the Non-Defaulter may give such Default Notice to the Defaulter and the Default Notice so given shall have the same effect hereunder as if it had been given by the General Partner.

10.3 Option Notice

If the Defaulter does not remedy the Event of Default within thirty (30) days after its receipt of a Default Notice relating thereto, then at any time after the expiration of such 30-day period and so long as such Event of Default has not been remedied, the Non-Defaulter, provided that no Event of Default has occurred with respect to it which is then continuing, shall have the right to give a written notice (an "**Option Notice**") to the Defaulter stating that the Non-Defaulter exercises its right to purchase the LP Units of the Defaulter. The Non-Defaulter which has given an Option Notice pursuant to and in accordance with this Section shall be referred to in this Article 10 as the "**Purchaser**" and shall acquire the LP Units of the Defaulter in accordance with the provisions of this Article 10.

10.4 Determination of Fair Market Value

Upon the giving of an Option Notice, the Purchaser and the Defaulter will attempt to agree upon a single Appraiser satisfactory to both of them to determine the Defaulter's Proportionate Share of Fair Market Value for the purposes of this Article 10.

(a) If the Purchaser and the Defaulter fail to agree upon a single Appraiser within fifteen (15) days after the date of the Defaulter's receipt of the Option Notice, then within a further period of ten (10) days after the expiration of such 15-day period, each of them will appoint one Appraiser by written notice given to the other of them. The two Appraisers so appointed shall, within ten (10) days of the date on which the last of them is appointed, appoint a third Appraiser. The three Appraisers so appointed shall determine the Defaulter's Proportionate Share of Fair Market Value.

(b) If either the Purchaser or the Defaulter shall fail within the 10-day period limited hereby to appoint an Appraiser, then the Appraiser so appointed by the other of them shall be conclusively deemed to have been appointed by them jointly pursuant to clause (a). If both the Purchaser and the Defaulter fail to appoint their respective Appraisers within such 10-day period, then a single Appraiser shall be appointed by a judge having jurisdiction in the Province of Ontario, upon the application of either the Purchaser or the Defaulter.

(c) If the two Appraisers fail to appoint a third Appraiser within the time period prescribed in subsection (b), an Appraiser shall be appointed by a judge having

jurisdiction in the Province of Ontario upon the application of either the Purchaser or the Defaulter.

10.5 Report of Appraiser

Within thirty (30) days after the date that the single or third Appraiser, as applicable, is appointed pursuant to Section 10.4, each Appraiser shall prepare and submit to each of the Partners a written report setting forth his opinion as to the Defaulter's Proportionate Share of Fair Market Value as at the date of the occurrence of the Event of Default. In preparing their reports, the Appraiser(s) shall have access to all books of account and records and all vouchers, cheques, papers and documents of the Partners. The Partners shall co-operate with the Appraiser or Appraisers for such purpose and shall provide all information and documents requested by him or them.

10.6 Effect of Appraisal

For the purposes hereof, the Defaulter's Proportionate Share of Fair Market Value as at the date of the occurrence of the Event of Default shall be the amount set forth in the single appraisal, or if there are three appraisals, the average of the valuations of the Defaulter's Proportionate Share of Fair Market Value set forth in the three appraisals. The determination of the Defaulter's Proportionate Share of Fair Market Value pursuant to this Article 10 shall, in the absence of fraud or clerical error, be final and binding on each of the Partners and on all other persons affected thereby and there shall be no appeal therefrom.

10.7 Cost of Appraisal

Each of the Purchaser and the Defaulter shall bear the fees and expenses of the Appraiser appointed by or for it pursuant to paragraph 10.4(a). The fees and expenses of the single Appraiser or the third Appraiser appointed pursuant to paragraph 10.4(b) or (c) as the case may be, shall be borne and paid for by the Purchaser and the Defaulter in equal shares.

10.8 Closing Arrangements

(a) The giving of an Option Notice pursuant to and in accordance with Section 10.3 above shall constitute a binding agreement of purchase and sale for the sale by the Defaulter to the Purchaser of the LP Units of the Defaulter. Such transaction shall be completed at the principal place of business of the Limited Partnership at 10:00 a.m. on the day which is 30 days after the delivery of the Appraiser's report or, if there are 3 Appraisers, the delivery of the last of the 3 Appraisers' reports to be delivered, provided that if such day is not a Business Day, then such completion shall take place on the first Business Day thereafter, and on the completion of such transaction, the full amount of the Purchase Price shall be payable by certified cheque, bank draft or wire transfer of immediately available funds.

(b) The provisions contained in Article 11 of this Agreement shall apply, *mutatis mutandis*, to any purchase and sale of the LP Units of a Defaulter pursuant to this Article 10.

ARTICLE 11 – GENERAL SALE PROVISIONS

11.1 Application to Other Sections

Except as otherwise provided in this Agreement, the provisions contained in this Article 11 shall apply, *mutatis mutandis*, to any sale of a LP Units of any Limited Partner to any other Limited Partner pursuant to Article 9 or Article 10 of this Agreement.

11.2 Release of Guarantees, etc.

If at the Closing, the vendor or any person for or on behalf of the vendor shall have any personal guarantees, securities or covenants lodged with any person or bank to secure an indebtedness, liability or obligation of the Limited Partnership, then the purchaser shall deliver up, or cause to be delivered up, to the vendor and to cancel or cause to be cancelled, such guarantees, securities and/or covenants on or before the Closing, provided that the vendor may waive such requirement in its sole discretion. In the event the vendor so waives, if requested by the vendor, the purchaser shall instead deliver an indemnity in favour of the vendor in form and substance satisfactory to the vendor acting reasonably.

11.3 Vendor Documents for Closing

At the Closing, the vendor shall:

(a) withdraw from the Limited Partnership;

(b) deliver to the purchaser duly signed resignations by any and all representatives of such vendor or its Related Entity as directors, officers, shareholders and/or employees of the General Partner and/or Partnership, 6910 HWY 7 Management Inc. and the Nominee;

(c) execute and deliver to the purchaser in form satisfactory to the purchaser, acting reasonably, all such transfers, conveyances, assignments and other documents and instruments as are necessary or appropriate or as the purchaser shall reasonably require for the purpose of validly and effectively transferring the LP Units of the vendor to the purchaser, and, including without limitation, a withdrawal from the Limited Partnership;

(d) execute and deliver or cause to be executed and delivered to the purchaser all such other documents and instruments and do all such other things as are required in order to transfer, convey and deliver good title to the LP Units of the vendor to the purchaser free and clear of any and all mortgages, charges, liens, claims and encumbrances of any nature whatsoever, including, without limitation, the Indemnifier Obligations of the vendor, ("**Encumbrances**") provided that:

(i) if the LP Units of the vendor are subject to any Encumbrances, the purchaser may, at its option, without prejudice to all other rights it may have, purchase the LP Units of the vendor subject to such Encumbrances and assume the obligations and liabilities of the vendor relating to such Encumbrances on Closing, in which case the purchase price payable by the purchaser for such LP Units shall be satisfied in whole or in part (as the case may be) by the amount of the obligations and liabilities so assumed and such amount shall reduce the purchase price payable on Closing;

(ii) execute and deliver to the purchaser a release by the vendor of all rights, actions, causes of action, claims, debts and demands which the vendor has or may have in connection with or in any way relating to the Limited Partnership or the Limited Partnership Assets; and

(iii) provide evidence reasonably satisfactory to the purchaser that the vendor is not then a non-resident of Canada within the meaning of the ITA or provide to the purchaser a certificate pursuant to such Act with a certificate limit in an amount not less than the purchase price for the LP Units of the vendor; provided that if such evidence or certificate is not given, the purchaser shall be entitled to remit tax required under the ITA and to deduct such payment from the purchase price payable to the vendor.

11.4 Purchaser Documents for Closing

At the Closing, the purchaser shall:

(a) pay the purchase price;

(b) execute and deliver a legally enforceable agreement indemnifying the vendor against the debts and liabilities relating to the Limited Partnership which may be incurred after the date of closing as well as any such liabilities as accrued before closing to the extent credited in favour of the purchaser against the purchase price.

11.5 Indebtedness between Vendor and Purchaser

Any indebtedness owing by the vendor to the purchaser or by the purchaser to the vendor arising pursuant to this Agreement shall be settled and paid in full at the time of the Closing, provided that if the vendor fails to pay any such amount owing to the purchaser, the purchaser shall have the right to deduct the same from any monies payable to the vendor on the Closing.

11.6 Default

If at the Closing of the transaction of purchase and sale the vendor shall fail to deliver to the purchaser any documents required to be delivered to the purchaser, then the purchaser shall be and is hereby irrevocably constituted as the duly appointed lawful attorney of the vendor in accordance with the *Powers of Attorney Act (Ontario)*, as amended, with full power to execute, complete and deliver in the name and on behalf of the vendor all of such documentation, and upon delivery of all such documentation, the purchaser shall be entitled to deposit the purchase price payable on Closing to the credit of the vendor at any branch of the then principal banker of the Limited Partnership in Toronto, and upon so doing the purchaser shall have no further liabilities or obligations to the vendor and the vendor shall, in respect of the LP Units so sold on its behalf, cease to be entitled to any of the rights of the holder of such LP Units.

11.7 Power of Attorney

The power of attorney granted pursuant to Section 11.6 hereof is a power coupled with an interest and shall survive the death, legal incapacity, dissolution, liquidation, winding-up or other termination of existence of the Partners. Each Partner hereby ratifies all acts done and all

documents executed and delivered pursuant to the power of attorney hereby granted and each Partner hereby confirms that third parties are entitled to rely upon such ratification.

11.8 Other Covenants

(a) A purchaser will be entitled to direct the vendor to convey the vendor's Units to a Related Entity of the purchaser.

(b) Each of the vendor and the purchaser shall bear its own expenses in connection with the preparation, execution, delivery and registration of all documents, save and except if the Vendor is a Defaulter, it shall bear the out-of-pocket expenses of the purchaser in connection with the foregoing.

ARTICLE 12 – RECORD OF LIMITED PARTNERS

12.1 Registrar

The General Partner is hereby appointed the registrar and transfer agent of the Limited Partnership.

12.2 Record of Limited Partners

The General Partner shall at all times maintain at the principal office of the Limited Partnership a Record of Limited Partners which shall contain the name and address and number of LP Units of each Limited Partner, as well as such other information as is required or prescribed by the Act and regulations thereunder.

12.3 Changes in Membership of Partnership

No transfer of an LP Unit of a Limited Partner in the Limited Partnership and no admission of a substitute or additional Limited Partner in the Limited Partnership shall be effective for the purposes of this Agreement until all reasonable requirements as determined by the General Partner with respect thereto have been met and until such transfer, substitution or addition is duly reflected in an amendment to the Record of Limited Partners. The names and addresses of the Limited Partners as reflected from time to time in the Record of the Limited Partners, as from time to time amended, shall be conclusive as to such facts for all purposes of the Limited Partnership.

12.4 Amendment of Registration of a Limited Partnership or Record of Limited Partners

Forthwith upon receipt or any communication from any Limited Partner requiring the filing of an amendment to the Registration or to the Record of Limited Partners, the General Partner shall promptly prepare, file and record such amendment to the Registration or Record of Limited Partners, as the case might be.

12.5 Inspection of Register

A Limited Partner, or an agent of a Limited Partner duly authorized in writing, has the right to inspect and make extracts from the Record of Limited Partners during normal business hours, and to obtain a copy of the Record of Limited Partners within a period of 10 days from the date of the filing of a written request therefor with the General Partner.

ARTICLE 13 – MEETINGS OF THE LIMITED PARTNERS

13.1 Meetings of Limited Partners

The General Partner may at any time and from time to time, and shall, upon receipt of a request therefor in writing from any of the Limited Partners, call a meeting of the Limited Partners. In the event the General Partner shall fail or neglect to call a meeting within 15 days after receipt of such a request, any Limited Partner may call such meeting in accordance with the terms hereof.

13.2 Place of Meetings

Meetings of the Limited Partners shall be held at a reasonable time and place in the City of Toronto.

13.3 Notice

At least 15 days prior notice of any meeting (and not more than 45 days' notice) shall be given to the Limited Partners (and to the General Partner if the meeting has been called by a Limited Partner), and to the Accountants of the Limited Partnership. Such notice shall state the time, when and place where the meeting is to be held and shall list, in reasonable detail, all matters which are to be the subject of a vote at such meeting. It shall not be necessary for any such notice to set out the exact text of any resolution proposed to be passed at the meeting provided that the subject matter of any such resolution is fairly set out in such notice or a schedule thereto.

13.4 Chairperson

The President of the General Partner shall be the chairperson of all meetings of the Limited Partners unless the Limited Partners shall unanimously agree upon and designate some other person present to be chairperson. The chairperson shall not have a casting vote.

13.5 Quorum

Except as otherwise provided in this Agreement, a quorum at any meeting of the Limited Partners shall consist of persons present in person and holding or representing by proxy not less than 100% of the Class B Units. In the event that any one or more of the Limited Partners fails to attend any meeting of the Limited Partners after notice thereof is given in accordance with this Agreement, such meeting shall be rescheduled to a date which is not less than 15 days and not more than 45 days after the date for which it was originally scheduled and notice of the rescheduled meeting shall be given in accordance with this Agreement, and if such Limited Partner(s) again fail to attend the rescheduled meeting, they shall not be included in determining quorum for such rescheduled meeting and their votes shall not be required in order to pass any Resolution related to matters set out in the notice of meeting.

13.6 Voting Rights

Except as otherwise provided in this Agreement on any question submitted to a meeting, each Limited Partner shall be entitled to one vote for each Class B Unit held and matters submitted for approval shall only be approved by Resolution of Limited Partners.

13.7 Appointment of Proxy and Voting

A Limited Partner may attend any meeting of the Limited Partners personally or may be represented thereat by proxy. Votes at meetings of the Limited Partners may be cast personally or by proxy and resolutions shall be passed by show of hands, or, at the request of any Limited Partner, by ballot. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or, if the appointor is a corporation, under its seal or by an officer or attorney thereof duly authorized and shall cease to be valid one year from its date. Any person may be appointed a proxy, whether or not a Limited Partner.

13.8 Validity of Proxy

The chairperson of the meeting shall, acting reasonably, determine the validity of all instruments of proxy to be utilized at such meeting.

13.9 Revocation of Proxy

A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous insolvency or bankruptcy of the Limited Partner giving the proxy or the revocation of the proxy, provided that no written notice of such insolvency or bankruptcy, or revocation shall have been received at the place or meeting prior to the time fixed for holding of the meeting.

13.10 Form of Proxy

In addition to the requirements, where applicable, of Section 13.7, every instrument of proxy, whether for a specified meeting or otherwise, shall as nearly as circumstances permit be in the form substantially as follows:

> "I,_____, of _____in the Province of _____being a Limited Partner of _____ hereby appoint _____in the Province of _____ or failing him _____of in the Province of _____ as my proxy to attend and vote for me and on my behalf at the meeting of the Limited Partners to be held on the _____day of _____, 20__, and every adjournment thereof and every poll that may take place in consequence thereof.
>
> WITNESSETH this _____day of _____, 20___."

13.11 Right to Vote

Notwithstanding the foregoing, only holders of Class B Units who are registered as such in the Record of Limited Partners seven days prior to the date of the meeting (excluding the date of such meeting) shall have the right to attend in person or by proxy and to vote on all matters submitted to a meeting of the Limited Partners.

13.12 Right to Attend Meetings

The General Partner and the Accountants of the Limited Partnership shall have the right to attend at all meetings of the Limited Partners and to address any such meeting on the matters properly before it. Any counsel for or representative authorized in writing by a Limited

Partner may attend at any meeting for or on behalf of such Limited Partner and may address the meeting on the matters properly before it.

13.13 Conduct of Meetings

The General Partner shall be responsible for enacting all needed rules of order for conducting all meetings and shall keep, or cause to be kept, at the expense of the Limited Partnership, an accurate record of all matters discussed and action taken at all meetings of the Limited Partners. The records of all said meetings shall be maintained at the head office or principal place of business of the Limited Partnership and shall be available for inspection by any Limited Partner at all reasonable times.

13.14 Partnership Resolutions

No Limited Partner shall take part in the management of the business or transact any business for the Limited Partnership or have any power to sign for or bind the Limited Partnership, provided, however that the Limited Partners, by a Resolution of Limited Partners, shall have the right to:

(a) amend this Agreement, provided written consent of the General Partner shall be required where such amendment affects the General Partner;

(b) dissolve and terminate the Limited Partnership, or postpone the termination date of the Limited Partnership provided in this Agreement. Each of the Limited Partners acknowledges that it is aware of Section 2.6(c) of the Shareholders Agreement with respect to the GP and agrees to take such actions as necessary to implement such clause;

(c) remove the General Partner;

(d) appoint a new General Partner in anticipation of the removal, retirement, insolvency, bankruptcy or dissolution of the General Partner or any successor General Partner.

ARTICLE 14 – MISCELLANEOUS PROVISIONS

14.1 Arbitration

In the event of any dispute, claim, question or difference between or among any parties hereto relating to any matter, covenant, commitment or agreement provided for in this Agreement or arising between 256 and Cimberg relating to the Limited Partnership which the parties are unable to resolve by discussion and negotiation, any party may by written notice (an **"Arbitration Notice"**) to the other parties, require same to be settled by arbitration pursuant to and in accordance with the following provisions:

(a) the arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the parties involved who is qualified by education and training to pass upon the particular matter to be decided, or in the event of failure to agree within 10 Business Days from the giving of the Arbitration Notice, any party involved may apply to a Judge of the Ontario Superior Court of Justice to appoint an arbitrator;

(b) the arbitrator shall be instructed that time is of the essence in proceeding with his/her determination of any dispute, claim, question or difference and, in any

event, the arbitration award must be rendered within 30 days of the submission of such dispute to arbitration;

(c) the arbitration shall take place in Toronto, Ontario;

(d) the law to be applied in connection with the arbitration shall be the laws of Ontario, including its conflict of law rules, except that any issue to which the Act applies, shall be determined in accordance with the Act;

(e) in its arbitration award, the arbitrator may award any remedy for any breach of this Agreement that might have been awarded by the Ontario Superior Court of Justice except where the remedy for such breach has been expressly limited by this Agreement;

(f) the arbitration award shall be given in writing, and shall be final and binding on the parties and not subject to any appeal on a matter of law, a matter of fact, or a matter of mixed fact and law;

(g) the arbitration award shall deal with the question of costs of arbitration and all matters related thereto;

(h) judgment upon the award rendered may be entered in any court of competent jurisdiction, or, application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be;

(i) nothing herein will prevent the party who gave the Arbitration Notice from applying for injunctive relief pending such arbitration proceeding; and

(j) any arbitration hereunder shall be conducted in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) (as it may be amended or re-enacted from time to time) except as varied or excluded by the provisions of this Section 14.1.

14.2 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, except that any issue to which the Act applies, shall be determined in accordance with the Act.

14.3 Severability

If any covenant, term or provision hereof is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant, term or provision of this Agreement, and all Sections and subsections hereof are declared to be separate and distinct covenants, terms or provisions, as the case may be.

14.4 Further Assurances

Each of the parties hereto covenants and agrees to do all acts and things and execute and deliver such further and other papers and documents as are necessary and desirable or as may be reasonably required by a party hereto to carry out the intent and purpose of and give full effect to this Agreement and every part thereof.

14.5 Entire Agreement

This Agreement supersedes and replaces all prior negotiations and/or agreements made between the parties hereto relating to the subject matter hereof (whether oral or written), and, along with the Shareholders Agreement, contains the entire understanding between the parties with respect to the subject matter hereof. In the event of any conflict between this Agreement and the Shareholders Agreement, the Shareholders Agreement shall govern.

14.6 Amendments to Agreement and Waiver

(a) Any of the provisions of this Agreement may be varied, amended or deleted at any time or times in full or in part and any action taken in contravention of any provision of this Agreement may be assented to with the written consent of the parties hereto.

(b) No failure of any party to this Agreement to pursue any remedy resulting from a breach of this Agreement by another party shall be construed as a waiver of that breach by that or any other party or as a waiver of any subsequent or other breach unless such waiver is in writing and signed by the relevant party or, if applicable, in accordance with the immediately preceding paragraph 14.6(a).

14.7 Notices

Any notice, payment, demand or communication required or permitted to be given under or pursuant to this Agreement shall be deemed to have been sufficiency given for all purposes if delivered personally to the party or to an officer of the party to whom the same is directed or if sent by facsimile or other similar means of electronic transmission or, if postal services and deliveries are then operating, by registered or certified mail within Canada, postage and charges prepaid, to such party at its address set out below or at such other address as such party may have designated by notice so given to each of the other parties hereto:

to Cimberg, at:	401-1 West Pearce St. Richmond Hill, Ontario L4B 3K3
with a copy to:	Miller Thomson LLP 5800-40 King Street West, Toronto, Ontario M5H 3S1 Attn: James Hutchinson
to 256, at:	500 Cochrane Drive, Unit 4, Markham, Ontario, L3R 8E2
with a copy to:	Capo Sgro LLP 7050 Weston Road, Ste 400, Woodbridge, Ontario, L4L 8G7 Attn: Frank C. Sgro

to the General Partner, at each of the addresses above.

Any such notice, payment, demand or communication shall be deemed to have been given, if delivered, on the date of delivery, or if sent by facsimile or other similar means of electronic transmission, on the Business Day next following the date of transmission, or if mailed by registered or certified mail as aforesaid, on the fifth Business Day following the date of mailing if postal services and deliveries are then operating.

14.8 Partition

Each Partner waives the benefit of all provisions of law, now in effect or hereafter enacted, relating to applications for dissolution of the Limited Partnership under the Act or otherwise or relating to actions for a partition or sale in view of partition and/or administration of real and personal property, including, without limiting the generality of the foregoing, the *Partition Act* (Ontario) as amended or re-enacted from time to time. Each Partner agrees that it will not resort to any action at law or in equity for partition or sale in lieu of partition of the Project Lands or any other property in the Limited Partnership or seek administration in respect thereof, except in each case as provided for in this Agreement.

14.9 Continuity and Binding Effect

(a) This Agreement shall extend to, include, enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, but this Agreement and the Limited Partnership Interests shall not be assignable and transferable except to the extent expressly permitted herein, in which latter case they shall enure to the benefit of such assigns.

(b) If any of the Partners shall at any time pledge, mortgage, assign, transfer, sell or otherwise dispose of or encumber its LP Units contrary to the terms hereof, the other Partners shall be entitled to a decree or order restraining and enjoining such disposition or encumbrance, it being acknowledged and agreed that the injury and damage resulting from such breach would be impossible to measure monetarily. The rights to such a decree or order shall be in addition to all other rights and remedies available to the relevant parties.

14.10 Time of Essence

Time shall be strictly of the essence of this Agreement and of every part thereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

14.11 Voluntary Dissolution

Notwithstanding the foregoing provisions of this Agreement, in the event that the Partners agree to cause the dissolution of the Limited Partnership, the Partners agree to work together to ensure such dissolution is carried out in a reasonable and tax efficient manner.

14.12 Counterparts

This Agreement may be executed by any person who has from time to time to become a party hereto by his signing a counterpart hereof, each of which counterparts so executed shall be deemed to be an original and such counterparts together shall constitute a single instrument.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement in the Province of Ontario and agree to be bound thereby as of the date first written above.

[Signature page follows]

2563111 ONTARIO INC.

Per: _____

Name: Khurram Shroff

Title: A.S.O.

I have authority to bind the Corporation.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

CIMBERG DEVELOPMENTS INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

6910 HWY 7 GP INC.

Per: _____

Name: Jerry Feng

Title: President

I have authority to bind the Corporation.

Per: _____

Name: Patrick Chan

Title: Secretary

I have authority to bind the Corporation.

Per: _____

Name: Khurram Shroff

Title: President

I have authority to bind the Corporation.

Per: _____

Name: Margaret Ann Fleming

Title: Treasurer

I have authority to bind the Corporation.

SCHEDULE "A"
DESCRIPTION OF THE PROJECT LANDS

1. **PIN**: 70013-0216 (LT)

   Municipal Address: 6910 Highway 7 East, Markham, Ontario

   Legal Description: Part Lot 11 Concession 9 Markham; Part Lot 12 Concession 9 Markham as in R436658; Markham

2. **PIN**: PIN 70013-0215 (LT)

   Municipal Address: 6950 Highway 7 East, Markham, Ontario

   Legal Description: Part Lot 11 Concession 9 Markham; Part Lot 12 Concession 9 Markham as in R517792; Markham

Tab B

This is Exhibit "B" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

June 16, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Dear 2563111 Ontario Inc. / Mr. Shroff:

RE: 2563111 Ontario Inc. ("256") / 2568253 Ontario Limited ("Cimberg") / 6910 Hwy 7 GP Inc. ("GP") – Unanimous Shareholder Agreement ("USA") dated May 5, 2017

~ and ~

256 / Cimberg Developments Inc. ("Cimberg Developments") / GP - Amended and Restated Limited Partnership Agreement dated May 5, 2017 ("LP Agreement")

Our File No: 30025

This letter is being sent on behalf of our clients, Cimberg and Cimberg Developments (collectively, the "**Cimberg Companies**").

256 is both the Limited Partner and a Shareholder of the GP.

As you are aware, Kingsberg Development Corporation ("**Kingsberg**") exercised its option to become a co-owner with 2334266 Ontario Inc. ("**233**") on or about February 16, 2017. On March 8, 2017, 233, a company owned or controlled by the same beneficial owner as 256, entered into an Agreement of Purchase and Sale to sell 6910 Highway 7 East, Markham (the "**Property**") to Simion Kronenfeld without the knowledge or consent of Kingsberg who owns or controls the Cimberg Companies.

On May 5, 2017, after 233 had sold the land to the Limited Partnership and became a 50% Limited Partner, 256 entered into the LP Agreement.

From May 5, 2017 onward, 256 sold and/or conveyed (or attempted to do so) its Limited Partnership units (and, in effect, the Limited Partnership units of the other Limited Partner). 256

is therefore a Defaulter under the above-noted Agreements as it has committed an Event of Default pursuant to Section 1.1(z)(iii) of the LP Agreement by "*selling, transferring, assigning, conveying, exchanging or otherwise disposing of all or any part of its LP Units or its rights under this Agreement contrary to Section 8.1 . . .*".

Pursuant to Section 2.6(b) of the USA, this letter shall serve to confirm that 256 has forfeited any right to give approval under the LP Agreement or to vote at meetings of the Shareholders (although it is still entitled to receive notice thereof). Our client, the other Shareholder, shall therefore be entitled to make "*any and all Major Decisions and other decisions relating to the Corporation and the Limited Partnership*".

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the Agreements.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

per HDP

Harvin D. Pitch*
*Pitch Professional Corporation
HDP/mc

cc: Capo Sgro LLP / Attention: Frank Sgro / fsgro@csllp.ca
cc: Jennifer J. Lake
cc: James Hutchinson

Tab C

This is Exhibit "C" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

June 21, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Dear 2563111 Ontario Inc. / Mr. Shroff:

RE: 2563111 Ontario Inc. ("256") / Cimberg Developments Inc. ("Cimberg Developments") / GP - Amended and Restated Limited Partnership Agreement dated May 5, 2017 ("LP Agreement")

Default Notice to 256 Under Article 10 of the LP Agreement

Our File No: 30025

This letter is being sent on behalf of our client, Cimberg Developments.

Prior to May 5, 2017, 2334266 Ontario Inc. ("**233**") was the owner of certain lands located at 6910 Highway 7 East, Markham (the "**Property**"). 256 and 233 are owned and/or controlled by Khurram Shroff and his family.

Kingsberg Development Corporation ("**Kingsberg**") exercised its option to become a co-owner with 233 on or about February 16, 2017.

On March 8, 2017, 233 entered into an Agreement of Purchase and Sale to sell the Property to Simion Kronenfeld ("**Kronenfeld**") without the knowledge or consent of Kingsberg who owns and/or controls Cimberg Developments.

On May 5, 2017, after 233 had sold the land to the Limited Partnership and became a 50% Limited Partner, 256 entered into the LP Agreement.

Default Notice

At the time that 256 became a Limited Partner, it had already sold and/or conveyed its Limited Partnership units (and, in effect, the Limited Partnership units of the other Limited Partner). This is because 256 and its related company 233 were vendors under the aforementioned Agreement of Purchase and Sale and continued to remain vendors until on or about June 5, 2017 when Kronenfeld issued a claim for specific performance in Court File No. CV-17-576484 (the "**Kronenfeld Action**"), registered a Certificate of Pending Litigation ("**CPL**") against the Property, and notified Cimberg Developments.

256 has committed an Event of Default pursuant to Article 1.1(z)(iii) of the LP Agreement by "*selling, transferring, assigning, conveying, exchanging or otherwise disposing of all or any part of its LP Units or its rights under this Agreement contrary to Section 8.1 . . .*".

Cimberg Developments only discovered that 256 had committed an Event of Default on June 6, 2017 (the day after the CPL Order was obtained). This letter shall serve as Default Notice to 256 pursuant to Article 10.2 of the LP Agreement.

Pursuant to Article 10.3 of the LP Agreement, 256 has thirty (30) days to remedy the default. Specifically, on or before July 21, 2017:

1. Cimberg Developments requires an Order discharging the CPL registered against title to the Property; and

2. Cimberg Developments requires an Order dismissing the Kronenfeld Action without costs

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LP Agreement. As a courtesy, we have also copied Tahir Majeed whom we understand is 256's litigation lawyer.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

per H.D.P.

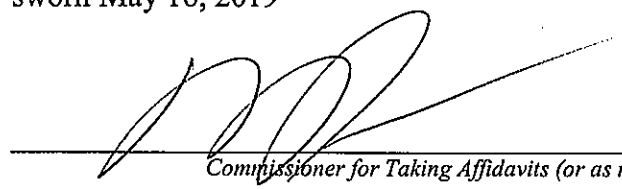
Harvin D. Pitch*
*Pitch Professional Corporation
HDP/mc

Copies via email to:

- Capo Sgro LLP / Attention: Frank Sgro / fsgro@csllp.ca)
- Jennifer J. Lake
- James Hutchinson
- Tahir Majeed / tahirlaw@hotmail.com

Tab D

This is Exhibit "D" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

June 30, 2017

Christopher Stanek
Direct +1 416 862 4369
christopher.stanek@gowlingwlg.com
File No. T1012224

VIA ELECTRONIC MAIL

Mr. Harvin Pitch
Teplitsky Colson LLP
Barristers and Solicitors
70 Bond Street, Suite 200
Toronto ON M5B 1X3

Dear Mr. Pitch:

Re: 6910 Hwy 7GP Inc. Unanimous shareholder Agreement

I am writing with respect to your letter addressed to our clients 2563111 Ontario Inc. and Khurram Shroff. We are litigation counsel for both Mr. Shroff and his companies.

Your letter alleges that Mr. Shroff's company 2334266 Ontario Inc. entered into an Agreement of Purchase and Sale to sell 6910 Hwy 7 East, Markham to Simion Kronenfeld without the knowledge or consent of the Cimberg Companies. Please note that Mr. Shroff and 2334266 Ontario Inc. did no such thing. We will be vigorously defending the action brought by Mr. Kronenfeld on behalf of 2334266 Ontario Inc. Mr. Kronenfeld has no rights in the property.

In any event, the LP Agreement which you reference was not entered into until May 5, 2017. Your letter alleges that the alleged Agreement of Purchase and Sale was entered into March 8, 2017. As such, Mr. Shroff or his companies could not have sold any LP Units created by an LP Agreement in March, when they had not been created until May.

Mr. Shroff and 2563111 Ontario Inc. are not in default of the LP Agreement or any obligations to your client. Please note that if you client takes any actions contrary to Mr. Shroff's interest without his knowledge or consent, we will enforce Mr. Shroff's and 2563111 Ontario Inc.'s rights accordingly.

Yours truly,

Gowling WLG (Canada) LLP

Christopher Stanek

CMS

Tab E

This is Exhibit "E" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

JENNIFER J. LAKE
Direct Line: (416) 865-5331
E-mail: jlake@teplitskycolson.com

July 7, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Notice to Contribute Pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "Limited Partnership")
Our File No: 30025

Attached please find a Notice of Capital Contribution dated July 6, 2017 which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 5.5 of the LPA.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Jennifer J. Lake
JJL/me

*Encl.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson
- Benjamin Mann
- Harvin D. Pitch
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

NOTICE OF CAPITAL CONTRIBUTION

TO: **2563111 Ontario Inc. ("256")**

500 Cochrane Drive, Unit 4
Markham OntarioL3R 8E2

with a copy to:

Capo Sgro LLP
7050 Weston Road, Ste 400
Woodbridge, Ontario L4L 8G7
Attention: Frank C. Sgro

AND TO: **Cimberg Developments Inc. (collectively with 256 the "Partners")**

401-1 West Pearce St.
Richmond Hill, Ontario, L4B 3K3

with a copy to:

Miller Thomson LLP
5800-40 King Street West, Toronto, Ontario M5H 3S1
Attention: James Hutchinson

BY: **6910 HW 7 GP Inc. (the "General Partner")**

#505-55 Commerce Valley Drive, West
Markham, ON, Canada, L3T 7V9

RE: **Notice to Contribute pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of 6910 Highway Seven Limited Partnership (the "Limited Partnership")**

NOTICE IS HEREBY GIVEN THAT:

1. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the LPA.

2. The General Partner has advised that it intends to renew the current first mortgage, presently in the amount of $24,000,000.00 for one (1) month starting on July 10th, 2017, the aggregate total for such renewal being $195,715.07 and the details of which are attached hereto as Schedule A.

3. In accordance with Section 5.5 of the LPA, the Partners must contribute their respective Proportionate Shares of the required Additional Capital.

4. In accordance with Section 5.5 of the LPA, the General Partner has determined that further Additional Capital is or will be required for the purposes of the Limited Partnership in connection with the renewal in the amount set out herein.

5. Each Partner's Proportionate Share of the required Additional Capital is the following amount:

   (i) 2563111 Ontario Inc. in the amount of $97,857.54

   (ii) Cimberg Developments Inc. in the amount of $97,857.54

   such amounts representing a 50% interest held by each of the Partners in the Partnership.

6. Section 5.5 of the LPA provides that that each Partner's Proportionate Share of Additional Capital will be delivered to the Limited Partnership on or before the date which is thirty (30) days after receiving a Notice to Contribute, however the Limited Partnership urgently requires Additional Capital in order to renew the mortgage as set out in paragraph 2 above.

7. Each Partner is hereby directed to advance by way of cheque or bank draft payable to the Limited Partnership, its above-stated Proportionate Share of the required Additional Capital on or before the date which is two (2) days after receipt of this Notice to Contribute.

DATED this 6 day of July, 2017.

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP, by its general partner,
6910 HWY 7 GP INC.

Name: Jiubin Feng
Title:

Schedule "A"

David

From:	PATRICK CHAN <patrick.chan@rogers.com>
Sent:	2017年7月3日星期一 19:10
To:	Jiubin Feng; David; 'Andrew Fang'; Qin Tan 秦潭 Melody Lu Nan Lawrence
Subject:	Fwd: Last Extension to Aug 11, 2017

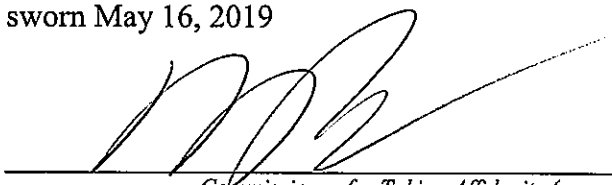
Sent from my iPhone

Begin forwarded message:

> **From:** Cyndy Cayco <ccayco@duca.com>
> **Date:** June 30, 2017 at 12:12:52 PM EDT
> **To:** "KB (khurramshroff@gmail.com)" <khurramshroff@gmail.com>, Patrick Chan <patrick.chan@rogers.com>
> **Cc:** Francis Sajed <fsajed@duca.com>
> **Subject: Last Extension to Aug 11, 2017**
>
> Dear Patrick,
>
> This is to confirm our meeting of today (Francis Sajed & Cyndy Cayco) with you. As discussed, we are proceeding to get approval for one last month extension until August 11, 2017. As such, we require $195,715.07 to be deposited with DUCA asap:
>
> $ 135,715.07 Interest reserve (P + 3.75% for 32 days
> + 60,000.00 Renewal fee (3% pro rata)
> $195,715.07 Total Deposit
>
> Regards,
>
> Cyndy Cayco
> VP Corporate Finance
> DUCA Financial Services Credit Union Ltd.
> (416) 590-2372
> ccayco@duca.com

Tab F

This is Exhibit "F" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

JENNIFER J. LAKE
Direct Line: (416) 865-5331
E-mail: jlake@teplitskycolson.com

August 17, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Contribution Default Notice Pursuant to Section 5.6 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")
Our File No: 30025

Attached please find a Contribution Default Notice which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 5.6 of the LPA.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Jennifer J. Lake
JJL/mc

*Encls.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson and Benjamin Mann
- Harvin D. Pitch
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

CONTRIBUTION DEFAULT NOTICE

TO: **2563111 Ontario Inc. ("256")**
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2

AND
TO: **Cimberg Developments Inc. ("Cimberg")**
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

With copies to:

MILLER THOMSON LLP
5800-40 King Street West
Toronto ON M5H 3S1
Attention: James Hutchinson and Benjamin Mann

CAPO SGRO LLP
7050 Weston Road, Ste 400
Woodbridge ON L4L 8G7
Attention: Frank C. Sgro

BY: **6910 HWY 7 GP Inc. (the "General Partner")**
505-55 Commerce Valley Drive West
Markham ON L3T 7V9

RE: **Contribution Default Notice pursuant to Section 5.6 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")**

NOTICE IS HEREBY GIVEN THAT:

1. 256 has failed to advance its Proportionate Share of the Additional Capital set out in the Notice of Capital Contribution dated July 6, 2017 and delivered July 7, 2017 which is attached hereto as Schedule "A".

2. The General Partner is hereby providing written notice of such failure to 256, the Non-Contributor, and to the other Limited Partner, Cimberg, the Contributor.

3. 256 has ten (10) Business Days from the date hereof to advance its Proportionate Share to Cimberg ($97,857.54) by way of cheque or bank draft, failing which its failure to do so shall be an Event of Default under the LPA. A

further copy of the cheque from Cimberg to DUCA dated July 4, 2017 for the interest and renewal fee for the mortgage is attached hereto as Schedule "B".

Dated this 14 day of August, 2017

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP,
by its General Partner, **6910 HWY 7 GP INC.**

Jiubin Feng

SCHEDULE "A"

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

JENNIFER J. LAKE
Direct Line: (416) 865-5331
E-mail: jlake@teplitskycolson.com

July 7, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Notice to Contribute Pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "Limited Partnership")
Our File No: 30025

Attached please find a Notice of Capital Contribution dated July 6, 2017 which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 5.5 of the LPA.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Jennifer J. Lake
JJL/me

*Encl.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson
- Benjamin Mann
- Harvin D. Pitch
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

NOTICE OF CAPITAL CONTRIBUTION

TO: **2563111 Ontario Inc. ("256")**

500 Cochrane Drive, Unit 4
Markham OntarioL3R 8E2

with a copy to:

Capo Sgro LLP
7050 Weston Road, Ste 400
Woodbridge, Ontario L4L 8G7
Attention: Frank C. Sgro

AND TO: **Cimberg Developments Inc. (collectively with 256 the "Partners")**

401-1 West Pearce St.
Richmond Hill, Ontario, L4B 3K3

with a copy to:

Miller Thomson LLP
5800-40 King Street West, Toronto, Ontario M5H 3S1
Attention: James Hutchinson

BY: **6910 HW 7 GP Inc. (the "General Partner")**

#505-55 Commerce Valley Drive, West
Markham, ON, Canada, L3T 7V9

RE: **Notice to Contribute pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of 6910 Highway Seven Limited Partnership (the "Limited Partnership")**

NOTICE IS HEREBY GIVEN THAT:

1. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the LPA.

2. The General Partner has advised that it intends to renew the current first mortgage, presently in the amount of $24,000,000.00 for one (1) month starting on July 10th, 2017, the aggregate total for such renewal being $195,715.07 and the details of which are attached hereto as Schedule A.

3. In accordance with Section 5.5 of the LPA, the Partners must contribute their respective Proportionate Shares of the required Additional Capital.

4. In accordance with Section 5.5 of the LPA, the General Partner has determined that further Additional Capital is or will be required for the purposes of the Limited Partnership in connection with the renewal in the amount set out herein.

5. Each Partner's Proportionate Share of the required Additional Capital is the following amount:

   (i) 2563111 Ontario Inc. in the amount of $97,857.54

   (ii) Cimberg Developments Inc. in the amount of $97,857.54

   such amounts representing a 50% interest held by each of the Partners in the Partnership.

6. Section 5.5 of the LPA provides that that each Partner's Proportionate Share of Additional Capital will be delivered to the Limited Partnership on or before the date which is thirty (30) days after receiving a Notice to Contribute, however the Limited Partnership urgently requires Additional Capital in order to renew the mortgage as set out in paragraph 2 above.

7. Each Partner is hereby directed to advance by way of cheque or bank draft payable to the Limited Partnership, its above-stated Proportionate Share of the required Additional Capital on or before the date which is two (2) days after receipt of this Notice to Contribute.

DATED this 6 day of July, 2017.

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP, by its general partner,
6910 HWY 7 GP INC.

Name: Jiubin Feng
Title:

Schedule "A"

David

From: PATRICK CHAN <patrick.chan@rogers.com>
Sent: 2017年7月3日星期一 19:10
To: Jiubin Feng; David; 'Andrew Fang'; Qin Tan 秦潭 Melody Lu Nan Lawrence
Subject: Fwd: Last Extension to Aug 11, 2017

Sent from my iPhone

Begin forwarded message:

From: Cyndy Cayco <ccayco@duca.com>
Date: June 30, 2017 at 12:12:52 PM EDT
To: "KB (khurramshroff@gmail.com)" <khurramshroff@gmail.com>, Patrick Chan <patrick.chan@rogers.com>
Cc: Francis Sajed <fsajed@duca.com>
Subject: Last Extension to Aug 11, 2017

Dear Patrick,

This is to confirm our meeting of today (Francis Sajed & Cyndy Cayco) with you. As discussed, we are proceeding to get approval for one last month extension until August 11, 2017. As such, we require $195,715.07 to be deposited with DUCA asap:

$ 135,715.07 Interest reserve (P + 3.75% for 32 days
+ 60,000.00 Renewal fee (3% pro rata)
$195,715.07 Total Deposit

Regards,

Cyndy Cayco
VP Corporate Finance
DUCA Financial Services Credit Union Ltd.
(416) 590-2372
ccayco@duca.com

SCHEDULE "B"

CIMBERG DEVELOPMENTS INC. 000007

DATE 2017-07-04
YYYY MM DD

PAY to Duca $ 195,715.07
the order of

— One hundred ninety five thousand seven hundred fifteen — 07/100 DOLLARS

ROYAL BANK OF CANADA
RICHMOND HILL ON-HWY 404 & HWY. 7
260 EAST BEAVER CREEK RD.
RICHMOND HILL, ON L4B 3M3

CIMBERG DEVELOPMENTS INC.

PER

PER

RE Interest and Renewal fee for Mortgage

⑈0000007⑈ ⑆06032⑆003⑆ 108 16 1⑈ 1⑈

Received July 6, 2017

21962-828 11
DUCA Financial Services Credit Union Ltd.
JUL 06 2017
5290 Yonge St., Toronto, ON M2N 5P9
11 21962-828

Tab G

This is Exhibit "G" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

JENNIFER J. LAKE
Direct Line: (416) 865-5331
E-mail: jlake@teplitskycolson.com

September 25, 2017

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Default Notice Pursuant to Section 10.2 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")
Our File No: 30025

Attached please find a Default Notice which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 10.2 of the LPA.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Jennifer J. Lake
JJL/mc

*Encls.

Copies via email to:

- Harvin D. Pitch
- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson and Benjamin Mann
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

DEFAULT NOTICE

TO: **2563111 Ontario Inc. ("256")**
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2

AND
TO: **Cimberg Developments Inc. ("Cimberg")**
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

With copies to:

MILLER THOMSON LLP
5800-40 King Street West
Toronto ON M5H 3S1
Attention: James Hutchinson and Benjamin Mann

CAPO SGRO LLP
7050 Weston Road, Ste 400
Woodbridge ON L4L 8G7
Attention: Frank C. Sgro

BY: **6910 HWY 7 GP Inc. (the "General Partner")**
505-55 Commerce Valley Drive West
Markham ON L3T 7V9

RE: **Default Notice pursuant to Section 10.2 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")**

NOTICE IS HEREBY GIVEN THAT:

1. 256 failed to advance its Proportionate Share of the Additional Capital ($97,857.54) set out in the Contribution Default Notice dated August 17, 2017 within ten (10) business days.

2. 256's failure is an Event of Default pursuant to Section 10.2 of the LPA.

3. The General Partner is hereby providing written notice of the Event of Default by way of this Default Notice to 256, the Defaulter, and to the other Limited Partner, Cimberg, the Non-Defaulter. 256 has thirty (30) days from the date hereof to remedy its default and pay to Cimberg $97,857.54 together with interest as set out in Section 5.8 of the LPA.

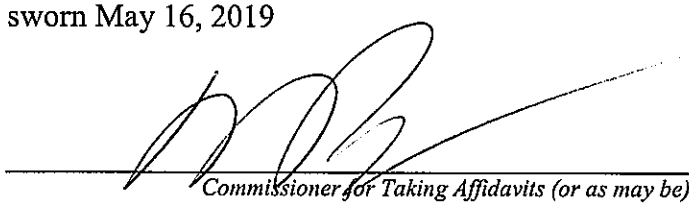
Dated this 25th day of September, 2017

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP,
by its General Partner, **6910 HWY 7 GP INC.**

Jiubin Feng

Tab H

This is Exhibit "H" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

Jennifer Lake

From: Stanek, Chris <Christopher.Stanek@gowlingwlg.com>
Sent: Friday, October 06, 2017 9:37 AM
To: Jennifer Lake
Cc: Harvin Pitch; 'Frank Sgro'
Subject: RE: Default Notice to 2563111 Ontario Inc. dated September 25, 2017

Ms. Lake:

Notwithstanding my e-mail below, please note that there has been no default and 2563111 Ontario intends to argue the point in any proceeding in which your client intends to allege that there has been a default.

Christopher Stanek
Partner
T +1 416 862 4369
christopher.stanek@gowlingwlg.com

GOWLING WLG

From: Stanek, Chris
Sent: October-06-17 9:25 AM
To: Jennifer Lake
Cc: 'Harvin Pitch'; 'Frank Sgro'
Subject: Default Notice to 2563111 Ontario Inc. dated September 25, 2017

Ms. Lake :

We are writing to you with respect to the Default Notice provided to us under cover of your letter of September 25, 2017 (attached).

2563111 Ontario Inc. intends to remedy the default. Please provide us the amount required to remedy default, including interest to date.

Christopher Stanek
Partner
T +1 416 862 4369
christopher.stanek@gowlingwlg.com

GOWLING WLG

Tab I

This is Exhibit "I" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

August 31, 2017

VIA EMAIL

Mr. Christopher Stanek
Gowling WLG (Canada) LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Dear Counsel:

RE: 6910 HWY7 Inc. et al. re: Simion Kronenfeld
Court File No.: CV-17-576484
Our File No.: 30025

As you are aware, our client has diligently sought financing for the Property in order to address the DUCA indebtedness. Attached please find:

1. Discussion Paper – Property Refinancing dated August 30, 2017 (the "**Am-Stat Proposal**") from Am-Stat Corporation ("**Am-Stat**"), the only lender that has agreed to provide financing, which has been signed by the General Partner.

2. Copy of the $25,000 cheque payable to Am-Stat Corporation from Cimberg Developments Inc. ("**Cimberg**") representing payment of the required Application Fee.

We confirm that the executed Am-Stat Proposal and cheque were delivered to Am-Stat today in accordance with the deadline provided. We expect to receive a formal Commitment from Am-Stat in response.

As you will see, Am-Stat is prepared to provide a first mortgage in the amount of $22,500,000. Accordingly, the Limited Partnership will have to come up with the remaining $1,500,000, together with the $25,000 Application Fee and other expenses. We will be delivering a cash call shortly to that effect.

The Am-Stat Proposal requires various personal and corporate guarantees. We confirm that Messrs. Chan, Feng and Fang will each provide the $3,000,000 personal guarantees and that Cimberg Developments Inc. will provide a $3,000,000 corporate guarantee. **Please confirm**

forthwith that 2563111 Ontario Inc. ("256") will provide the requisite corporate guarantee and that Messrs. Firoz and Khurram Shroff will provide the requisite limited personal guarantees.

Additionally, we're advised that Am-Stat will require that a Cimberg director and a 256 director sign a corporate resolution of the General Partner authorizing the General Partner to enter into the loan agreement and sign the new first mortgage. In our view, this is unnecessary as our client controls the General Partner based upon the default notice, however if Am-Stat maintains this requirement, **please confirm that your client will sign a corporate resolution, failing which we will add that relief to our pending motion to discharge the Certificate of Pending Litigation.**

This is obviously very time sensitive and we would appreciate hearing back from you forthwith.

Yours truly,

TEPLITSKY, COLSON LLP

per H.D.P.

Harvin D. Pitch*
*Pitch Professional Corporation
HDP/mc

*Encl.

cc: Jennifer J. Lake

Am-Stat Corporation
181 King Street West, Suite 3450
Toronto, Ontario M5K 1J9
(Licenced by Brokerage License No. 10066 and Administrator Licence No. 11254
under the Mortgage Brokerages, Lenders and Administrators Act, 2006)

DISCUSSION PAPER – PROPERTY REFINANCING

August 30, 2017

6910 Highway Seven Limited Partnership
c/o 6910 Hwy 7 GP Inc.
502-55 Commerce Valley Drive West
Markham, Ontario
L3T 7V9

Attention: Mr. Patrick Chan and Mr. Andrew Fang

Dear Sirs:

Re: **6910 and 6950 Highway 7 East, Markham, Ontario (the "Property")**
And Re: **Am-Stat Corporation proposed loan to 6910 Highway Seven Limited Partnership (the "Partnership")**

This Discussion Paper confirms that, based on the information you provided to us, Am-Stat Corporation (the "Lender") will consider your application for first mortgage financing. This Discussion Paper is an outline of proposed terms for the purpose of considering your application only and is not: (i) a commitment letter; (ii) an agreement to provide a commitment letter; nor (iii) an agreement to provide financing. This document merely sets out the terms and conditions that the Lender is prepared to consider. At our sole option, we may decline your application.

You have represented, inter alia, the following with respect to the Property:

Location:	6910 and 6950 Highway 7 East, Markham, Ontario
Legal Description:	Part of Lots 11 and 12, Concession 9, City of Markham (PIN 70013-0215 and 70013-0216 (LT)
General Description:	A parcel of medium to high density mixed-use development land located on the north side of Highway 7 East, between Ninth Line and Bur Oak Avenue, in the east section of City of Markham

Site Area:	20 acres (approximately)
Site Shape:	Rectangular
Site Frontage:	646 feet on north side of Highway 7 East
Buildable Gross Floor Area:	(1) As is – 1,475,046 square feet (based on 20% higher than the minimum density according to 2015 Draft Cornell Centre Secondary Plan) (2) As if Draft Plan Approved – 179,588 square metres (1,933,085 square feet) according to proposed development plan (dated November 28, 2016) prepared by KLM Planning Partners Inc.)
Proposed Development:	Forty (40) Stack townhouse (80 units); 49 Back-to-Back townhouse Units (98) and 84 Typical townhouse Unit (84)

You have provided us with the following:

1. Partnership Structure Chart;
2. Miller Thomson reporting letter (absent enclosures or attachments) dated July 20, 2017 with respect to the Partnership acquisition of the Property and regarding formation and organization of the Partnership;
3. Bousfield Inc. Planning Opinion Report;
4. Draft development/site plan proposed for the Property;
5. Historical (August 2011) Preliminary Geotechnical Investigation and Phase II Site Environmental Assessment reports;
6. Terraplex review report dated August 18, 2016 regarding the contents of items 5 recommending further investigation;
7. Draft proposed development/site plan and survey for the Property.

Based on our initial due diligence, the following are our proposed loan terms:

Loan Amount:	$22,500,000.00
Priority:	First Mortgage
Interest Rate:	Ten (10%) percent per annum
Term:	One (1) Year
Payment Frequency:	Interest only, monthly

Funding Date:	Ten (10) days following final court order (with appeal periods expired) vacating Certificate of Pending Litigation YR2679946 but not later than October 15, 2017
Prepayment Privilege:	Loan Closed for Term
Use of Funds:	Assist owner to repay outstanding DUCA $24,000,000.00 mortgage
Guarantors:	Limited Personal Guarantees of Firaz Schroft, Khurran Schroff, Patrick Chan, Jerry Feng and Andrew Fang ($3,000,000.00 each and corporate guarantees of 2563111 Ontario Inc. and Cimberg Developments Inc. limited to the sum of $3,000,000.00 each).
Broker Fee:	Two (2%) percent of Loan Amount; of which $50,000.00 on account will be payable by Borrower as the Retainer Fee, upon acceptance of Commitment with the balance deducted from the gross amount of the Loan on funding thereof.
Security:	The proposed security, to be in the standard form used by the Lender, to include: • First charge/mortgage on the Property (no subsequent encumbrances will be permitted without the Lender's written consent); • General Assignment of Rents and Leases • Site Specific General Security Agreement • Satisfactory Insurance naming the Lender as loss payee • Title insurance for the chargee/mortgagee • all other usual commercial/land loan documents and/or security that may be required by the Lender or its solicitors
Application Fee:	A fee of $25,000.00 is required for the Lender to proceed further with your loan application (cheque to be provided together with this signed Discussion Paper). If the Lender issues a Commitment Letter substantially in accordance with this Discussion Paper on or before September 7, 2017 and the Commitment Letter is accepted, this Application Fee will be deemed to have been earned by the Lender, to compensate for the time, effort and expense incurred by it to approve this Facility, will be retained by the Lender and will be credited by the Lender to reduce the Broker Fee otherwise payable at the time of funding of the Loan. If the Lender issues a Commitment Letter substantially in accordance with this Discussion Paper on or before September 7,

2017 and the Commitment Letter is not accepted, then this Application Fee will be forfeited to the Lender as a fair approximation of costs incurred by it in processing the mortgage application, and not as a penalty.

If the Lender does not issue a Commitment Letter on or before September 7, 2017 substantially in accordance with this Discussion Paper, the Application Fee less the sum of $5,500 plus HST will be refunded without interest. (The deduction is intended to compensate the Lender for preparation of this letter, review of materials related to the transaction, meetings with Miller Thompson representatives and others regarding the Property).

If you wish us to consider your application for a loan on the foregoing terms and conditions, please provide a signed copy of this Discussion Paper by Thursday, August 31, 2017 @ 2 p.m. (expiry date) together with the Application Fee of $25,000.00 payable to Am-Stat Corporation, at the above-noted address.

Yours very truly,
AM-STAT CORPORATION

PHILIP H. MERETSKY, Q.C.
PHM/rmb

ACCEPTANCE

THE UNDERSIGNED hereby accepts the terms and conditions of this Discussion Paper as of this 31st day of August, 2017.

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP
By its General Partner, 6910 HWY 7 GP INC.

Per: _____
Jerry Feng – A.S.O.

Per: _____
Patrick Chan – A.S.O.
We have authority to bind the Corporation

CIMBERG DEVELOPMENTS INC. 000012

DATE 2017-08-31
Y Y Y Y M M D D

PAY to the order of Am-Stat Corporation $ 25,000.00

Twenty five thousand 00/100 DOLLARS

ROYAL BANK OF CANADA
RICHMOND HILL ON HWY 404 & HWY 7
260 EAST BEAVER CREEK RD.
RICHMOND HILL, ON L4B 3M3

CIMBERG DEVELOPMENTS INC.

PER _____

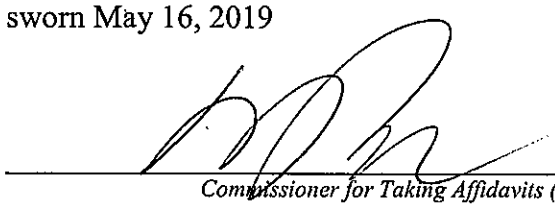
PER _____

RE Project loan to 6910 Highway Seven Limited Partnership

⑈0000012⑈ ⑆06032⑆003⑆ 108⑈16⑆11⑈

Tab J

This is Exhibit "J" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

Christopher Stanek
Direct 416-862-4369
christopher.stanek@gowlingwlg.com
File No. T1012224

September 8, 2017

VIA ELECTRONIC MAIL

Mr. Harvin D. Pitch
Teplitsky Colson LLP
Barristers & Solicitors
70 Bond Street, Suite 200
Toronto, Ontario
M5B 1X3

Your Client: 6910 Hwy7 Inc.
Your File No: 29543

Dear Mr. Pitch:

Re: 2334266 Ontario Inc. et al. ats. Kronenfeld
Court File No. CV-17-576484

I am writing in response to your letter of August 31, 2017. We note that the document that you provided to us was a discussion paper and that there is no commitment from Am-Stat Corporation (Am-Stat"). When you have obtained a formal commitment from Am-Stat, we can provide a response.

Moreover, with respect to personal and corporate guarantees, we note that your clients have yet to provide the personal and corporate guarantees required for the DUCA mortgage.

Finally, your client does not control the General Partner, and there has been no default. With respect to any corporate resolution, once again, if there is a commitment letter from Am-Stat rather than a discussion paper, our client will advise accordingly.

Yours truly,

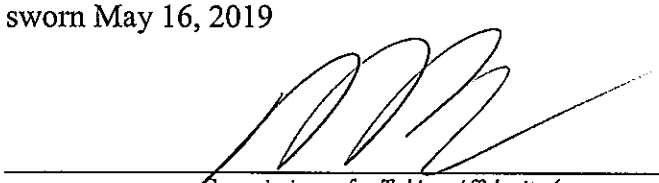
Gowling WLG (Canada) LLP

Christopher Stanek

CS:cb

Tab K

This is Exhibit "K" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

September 12, 2017

VIA EMAIL

Mr. Christopher Stanek
Gowling WLG (Canada) LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Dear Counsel:

RE: 6910 HWY7 Inc. et al. re: Simion Kronenfeld
Court File No.: CV-17-576484
Our File No.: 30025

Further to my letter dated August 31, 2017 and our correspondence of September 8, 2017, attached please find a copy of the letter from Philip Meretsky dated September 11, 2017 with executed Am-Stat Commitment.

Notwithstanding that the execution date of the Commitment is September 5, 2017, it was only finalized yesterday and I only received it yesterday afternoon.

Please confirm forthwith that:

1) 2563111 Ontario Inc. ("256") will provide the requisite corporate guarantee;

2) your individual clients will provide the requisite limited personal guarantees;

3) your clients will sign a corporate resolution of the General Partner ("GP") authorizing the GP to enter into the loan agreement and sign the new first mortgage. As previously advised, if your clients refuse to do so, we intend to add that relief to our motion or if necessary, commence separate proceedings under the *Ontario Business Corporations Act.*

Your client is clearly in default under the Limited Partnership Agreement and the Unanimous Shareholders Agreement of the GP, as evidenced by the various Notices delivered pursuant to the Limited Partnership Agreement, including but not limited to the Contribution Default Notice dated

August 17, 2017. Our client now controls the GP and it is unnecessary for your client to execute a corporate resolution, however as the lender requires it, we are making the request.

Please advise. Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Harvin D. Pitch*
*Pitch Professional Corporation
HDP/mc

*Encl.

cc: Jennifer J. Lake

MERETSKY LAW FIRM
Barristers & Solicitors

Reply to: Philip H. Meretsky, Q.C.
Email: phm@meretsky.com

September 11, 2017
Via Email

Mr. Harvin D. Pitch
Teplitsky, Colson LLP
Barristers and Solicitors
70 Bond Street, Suite 200
Toronto, Ontario M5B 1X3

Dear Sirs:

Re: Am-Stat Corporation loan to 6910 Highway Seven Limited Partnership
6910 and 6950 Hwy 7 East, Markham, Ontario

We are pleased to advise that we have been retained by Am-Stat Corporation to act on its behalf regarding the above-noted first mortgage loan.

We are pleased to confirm that the retainer in the amount of $50,000.00 has been received by this office, pursuant to Section 4(j) of the enclosed Commitment Letter. On behalf of our client, we confirm that the Commitment Letter is valid, outstanding and subsisting.

Kindly advise as to the date when the Application to Vacate the Certificate of Pending Litigation will be heard by the Court and, of course, kindly provide the Decision with respect thereto as soon as it is available.

Yours very truly,
MERETSKY LAW FIRM

PHILIP H. MERETSKY, Q.C.

PHM/rmb
Enclosure
cc: Mr. Patrick Chan

Am-Stat Corporation

121 King Street West, Suite 2150
Toronto, Ontario M5H 3T9
(Licenced by Brokerage License No. 10066 and Administrator Licence No. 11254 under the Mortgage Brokerages, Lenders and Administrators Act, 2006)

September 1, 2017

6910 Highway Seven Limited Partnership
c/o 6910 Hwy 7 GP Inc.
502-55 Commerce Valley Drive West
Markham, Ontario
L3T 7V9

Attention: Mr. Patrick Chan and Mr. Andrew Fang

Dear Sirs:

Re:	**6910 and 6950 Highway 7 East, Markham, Ontario (the "Property")**
And Re:	**Am-Stat Corporation proposed loan to 6910 Highway Seven Limited Partnership (the "Partnership")**

We acknowledge receipt of the Discussion Paper/Term Sheet duly executed and Application Fee cheque in the amount of $25,000.00. We also record your request that the funding date be extended to November 15, 2017 and that Messrs. Chan and Feng and Cimberg will increase their limited guarantees to Six Million ($6,000,000.00) Dollars each in the event guarantees would not be available from Firoz Schroff, Khurn Schroff and 2563111 Ontario Inc.

We are now pleased to provide our loan commitment to you as hereinafter set forth:

1. <u>Borrower</u>

   6910 Highway Seven Limited Partnership (the "Borrower").

2. <u>Additional Covenantors</u>

   Joint and several guarantees limited to the sum of Six Million ($6,000,000.00) Dollars from each of the following:

   a) Personal: Jerry Jiubin Feng and Patrick Chan; and

   b) Corporate: Cimberg Developments Inc.

In the event the personal guarantees of Firaz Schroff, Khurn Schroff and 2563111 Ontario Inc. each in the limited amount of $3,000,000.00 shall be provided the amount of the limited guarantees of the personal and corporations in item (a) and (b) above, shall be reduced to the sum of $3,000,000.00 each.

3. **Purpose of Loan**

To provide the Borrower with financing to assist owner to repay outstanding DUCA $24,000,000.00 mortgage.

4. **Loan Particulars**

a) Loan Amount: $22,500,000.00

b) Interest Rate: 10.00% per annum, with interest calculated and compounded monthly

c) Term: Twelve (12) months from the Interest Adjustment Date

d) Interest Adjustment Date: 31st December 2017

e) Funding Date: Ten (10) days following final Court Order (with all appeal periods expired) vacating Certificate of Pending Litigation YR2679946, but in any event no later than the Interest Adjustment Date

f) Payments: Interest only payable monthly

g) Disbursement: Funds to be advanced by Borrower's payment direction, to DUCA on the Funding Date. Interest is to be prepaid to the Interest Adjustment Date and deducted from the advance. Interest for the first four (4) months of the Term is to be paid to the Lender as a reserve/holdback to be applied by it for payment of the first four (4) monthly instalments due under the mortgage and such amount is to be deducted from the Loan Advance.

The Lender's Loan Fees are to be paid and deducted from the Loan Advance.

h) Prepayment Privilege: Closed for any prepayment during the Term.

i) Fees and Costs: The Borrower shall be responsible for all costs of the Lender in connection with this Loan including any legal, title insurance, appraisal, underwriting and other consultant costs attributable to or incidental to the Loan, which costs may be deducted by the Lender for advance.

j) Retainer: The Borrower shall provide a Fifty Thousand ($50,000.00) Dollar non-refundable retainer to the Lender's Solicitor, Meretsky Law Firm, which is deemed earned upon execution of this Commitment Letter by the Lender.

Guarantor(s) Initials: _____ Borrower(s) Initials: _____

k) Broker Fee: The Borrower shall pay a broker/loan fee or commission equal to two (2%) percent of the Loan Amount upon advance of the Loan or any portion thereof which shall be deducted from the monies advanced hereunder and is in all respects due on such advance.

When the Broker Fee is deducted from the Advance, the Application Fee of Twenty-Five Thousand ($25,000.00) Dollars paid pursuant to the Discussion Paper/Term Sheet dated August 29, 2017 (copy attached) and the Retainer of $50,000.00 paid at the time of and as a condition of this Commitment, shall be credited to the Borrower as payments already made on account, regarding the Broker Fee.

l) Administration Fees – The Borrower shall pay to the Lender a Fee of $500.00 plus taxes per request for each of the following events:

i. Late Payment;
ii. Cheque dishonoured for any reason;
iii. Failure to provide proof of payment of realty taxes;
iv. Failure to provide proof of insurance coverage on an annual basis;
v. Failure to provide post-dated cheques;
vi. Failure to notify Chargee of registration of a construction lien;
vii. Request for mortgage statement;
viii. Request for discharge statement.

Such Administration Fee, if not paid within five (5) days of demand for payment, shall constitute an Event of Default under the Charge and will be added to the principal amount outstanding on the Loan.

m) Document Fees: The Borrower shall pay the sum of $500.00 plus taxes per document requiring the consent of the Lender plus reasonable solicitor fees, disbursements and taxes for review of documents requiring Lender's consent.

n) Discharge Fee: The Borrower shall pay to the Lender's Solicitor the sum of $500.00 plus disbursements and HST for preparation and execution by the Lender of each partial discharge document required by the Borrower pursuant to Section 8 hereof for review and execution of postponement agreements pursuant to Section 8 hereof or for the discharge documentation upon full repayment of the Loan.

5. Borrower Representations – The Borrower hereby confirms the accuracy of the representations made to the Lender in the Discussion Paper/Term Sheet attached hereto, as regards the Property and acknowledges that the Lender is relying thereon in providing this Commitment.

The Borrower has heretofore provided the following materials to the Lender as regards the Property:

a) Partnership Structure Chart;
b) Miller Thomson reporting letter (absent enclosures or attachments) dated July 20, 2017 with respect to the Partnership acquisition of the Property and regarding formation and organization of the Partnership;
c) Bousfield Inc. Planning Opinion Report;
d) Draft development/site plan proposed for the Property;
e) Historical (August 2011) Preliminary Geotechnical Investigation and Phase II Site Environmental Assessment reports;
f) Terraplex review report dated August 18, 2016 regarding the contents of items 5 recommending further investigation;
g) Draft proposed development/site plan and survey for the Property.

6. Security

As security for the Loan, the following documents (the "Security" or "Security Documents") shall be delivered to the Lender prior to any advance of funds which shall be in a form and substance satisfactory to the Lender and the Lender's Solicitors:

a) First ranking Charge of the Property securing the Loan Amount and incorporating the terms and provisions of the Lender's Standard Charge Terms;

b) Joint and several limited Guarantee and Postponement of Claim from the Individual Guarantors, and the Corporate Guarantor, as set forth in Section 2 hereof.

c) Postponement of all loans made by Limited Partners to the Limited Partnership;

d) First priority General Security Agreement granting a charge over all assets owned by the Borrower registered in first position under the *Personal Property Security Act* ("PPSA");

e) First ranking General Assignment of all leases, rents, income, license or occupancy fees arising from or in connection with the Property;

f) Environmental Indemnity from the Borrower and Guarantors;

g) Assignment of all plans, site plans, letters of credit provided to Markham, York Region or other authorities, studies, reports and, if required by the Lender hereafter, assignment of any material contracts and agreements relating to development and management of the Property;

h) If required by the Lender, title insurance policy acceptable to the Lender's Solicitors;

i) Solicitor's corporate opinion for the corporation holding title to the Property, for the General Partner of the Limited Partnership and Corporate Guarantors in the form required by the Lender's Solicitors, acting reasonably;

j) The certificate/acknowledgment of the Limited Partnership confirming that the title holder has the right and authority to execute the loan documentation, complete the transaction and bind the Limited Partnership thereto;

k) Such other and further security and documentation as may be required by the Lender or Lender's Solicitors, acting reasonably.

7. **Funding Conditions**

The Lender shall not be obliged to make any advance under the Loan unless and until the terms and conditions of this Letter of Commitment including, without limitation, the following Funding Conditions, have been fully complied with by the Borrower:

i) All Security to be in place in form and content satisfactory to the Lender and Lender's Solicitors, acting reasonably;

ii) The Certificate of Pending Litigation presently registered on title to the Property shall be vacated from title with all appeal periods expired;

iii) The state of registered title of the Property shall be satisfactory to the Lender and Lender's Solicitors;

iv) Receipt of a certified copy of the Limited Partnership Agreement, Articles of Incorporation of the General Partner, corporate resolution of General Partner regarding signing authority and copies of Limited Partner Certificates issued to Limited Partners;

v) Delivery of a current-dated survey of the Property;

vi) Receipt of a current updated Environmental Assessment Report pursuant to the Terraplex recommendation in its report dated August 18, 2016, together with a reliance letter to confirm the Report may be relied on by the Lender;

vii) Receipt of most recent reports and/or planning development recommendations with respect to Official Plan Amendment and re-zoning for the Property (if any), satisfactory to the Lender;

viii) Evidence that the Property is in compliance with all laws, regulations, by-laws and other regulatory requirements and that realty taxes are paid current and up-to-date;

ix) Evidence of insurance for the Property satisfactory to the Lender with the Lender's interest duly endorsed;

x) Evidence to confirm that there is no litigation, executions, attornments, garnishments or other legal process affecting the Borrower or its assets;

The Lender may waive, but is not obligated to waive, any or all of the above conditions prior to the funding date. Notwithstanding such waiver, the Borrower shall deliver all documents, assurances or agreements affecting title or required hereunder when required by the Lender or Lender's Solicitors.

It is understood and agreed that neither the preparation, execution nor registration, where appropriate, of the Security Documents shall bind the Lender to advance the funds intended to be secured by the Charge. In the event the Lender advances any amount of monies prior to the satisfaction of any or all the conditions contemplated herein, it is agreed that such an advance of monies will not constitute waiver by the Lender of any such outstanding condition or the condoning of any default and the Lender shall be under no obligation to continue to advance any further sums until all defaults have been cured and all conditions have been satisfied.

8. **Partial Discharges/Postponements**

The Lender agrees to partially discharge the Security from those portions of the Property which are to be conveyed to the municipality, region or other governmental authority pursuant to the site plan agreement or development agreement, hereafter entered into with regard to the Property.

The Lender agrees to postpone the Security to all easements and agreements required by the municipality, region or other governmental authority pursuant to the site plan agreement or development agreement.

9. **Environmental Indemnity**

The Borrower represents and warrants that:

i) To the best of its knowledge, no Hazardous Substances (hereinafter defined) are presently being or will in the future be used, stores, processed, manufactured, handled or discharged in, on, under or from the Property, except in accordance with requirements of all environmental laws and any such Hazardous Substances have been and will hereafter be disclosed to the Lender in writing;

ii) To the best of its knowledge, neither the Property nor any adjacent lands have ever been used as or for a waste disposal site;

iii) Subsurface soil conditions and groundwater contain no Hazardous Substances or contaminants that exceed the Ministry of the Environment Tables pertaining to the Borrower's proposed development of the Property;

iv) To the best of its knowledge, no environmental damage has ever occurred on the Property or to the Property as a result of migration from adjoining lands; and

v) To the best of its knowledge, there are no convictions (or prosecutions settled prior to conviction) or outstanding or threatened investigations, claims, work orders,

notices, directives or other similar remedial actions against the Property or the Borrower in relation to the requirements of any environmental law.

The Borrower covenants and agrees and/or acknowledges, as the case may be, that it is responsible for remediation of any environmental damage to the Property and the removal of any Hazardous Substance from the Property and that it will indemnity the Lender for all costs, expenses, damages or liabilities (including, without limitation, legal fees) directly or indirectly arising out of or attributable to non-compliance by the Borrower with any environmental laws or to the presence on, under or about the Property of any Hazardous Substance. The Borrower's liability and indemnity in this regard shall survive foreclosure upon the mortgage, and/or any other extinguishment of the obligations of the Borrower under the mortgage including repayment of the loan or an assignment thereof approved by the Lender and any other exercise by the Lender of any remedies available to it against the Borrower.

The term "Hazardous Substances" as used herein shall mean substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact including, without limitation, contaminants, pollutants, toxic, dangerous or hazardous substance or materials, wastes, urea formaldehyde foam type of insulation, asbestos-containing materials, polychlorinated biphenyls ("PCB's") or PCB contaminated fluids or equipment, explosives, radio-active substances, petroleum and associated products, underground storage tanks or surface impoundments.

10. **Beneficial Owner**

The Borrower represents and warrants to the Lender that it is the beneficial owner of the Property and has consented to and authorized this transaction, has agreed to be bound thereby and that the General Partner for the Limited Partnership has authority to execute all requisite loan documentation.

11. **Further Encumbrances**

The Borrower shall not further encumber the Property without the prior written consent of the Lender which consent may be arbitrarily withheld. Borrower shall not be permitted to create waste on the Property. In the event of any material or physical change to the Property or the Borrower at the option of the Lender, the Charge shall immediately become due and be payable.

12. **Expiry and Cancellations**

The Lender shall have the right, at its option, to terminate this Letter of Commitment or to demand repayment of the loan or to add or to modify the conditions set out herein if the conditions of this Letter of Commitment are not met or if there is, in the opinion of the Lender or the Lender's Solicitors, a material adverse change in the risk, the value of the security or of the covenants required herein, or if any of the representations of the Borrower are not correct or if the Security has been impaired. The Lender shall also have the right,

at its option, to terminate this Letter of Commitment or to demand repayment of the Loan if:

a) The Security Documents are not registered by the Funding Date provided that the Security Documents have been provided to the Borrower one (1) business day prior to the Funding Date; and

b) The advance is not made by the Funding Date, for reasons caused by the Borrower.

13. **Standard Charge Terms**

The Borrower acknowledges and agrees that the Mortgage may incorporate by reference Standard Charge Terms required by the Lender for use in the jurisdiction in which the Property is situate, provided that the terms and provisions of the Mortgage shall not be limited to any such Standard Charge Terms and may incorporate such additional provisions as are contemplated by this Commitment Letter and/or as may be considered advisable by the Lender or the Lender's solicitor in their sole but reasonable opinion.

14. **Other Terms and Conditions**

Whether or not the transaction contemplated herein shall be completed, the Borrower agrees to pay the reasonable legal fees, disbursements and HST of the Lender's counsel, Meretsky Law Firm, for the preparation of this Commitment, the Security and all other documents contemplated herein.

In addition, the Borrower shall pay forthwith on demand all other reasonable fees and disbursements incurred or to be incurred in connection with the Security and all other documents, including but not limited to registration costs and discharge costs.

In the event the Borrower shall default and the Lender, in its sole and unfettered discretion, should arbitrarily determine that the existing mound of earth as now situate on the Property is not required for the Property or its existence impairs the value of the Property, the amount of the Loan balance shall be increased by the sum of $250,000.00 (equal to the credit provided by the vendor to the Borrower on closing of the purchase of the Property) notwithstanding that the Lender has not at that date proceeded with removal of the mound of earth and/or incurred any liability with respect thereto.

15. **Material Representations**

If at any time before or after acceptance of this Letter of Commitment or advance of funds under the loan, there is or has been any material change, discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower concerning the Property or the financial condition and responsibility of the Borrower or in the event of default by the Borrower under this Letter of Commitment, then, in the event of such default, the Lender shall be entitled to forthwith withdraw and cancel its obligations hereunder and decline to advance further funds, as the

case may be, and to declare any funds which have been advanced, together with accrued interest thereon, to be forthwith due and repayable in full.

16. **Cost of Loan**

The Borrower specifically acknowledges and agrees that this Letter of Commitment discloses all fees, interest and benefits to be delivered to the Lender. The Borrower acknowledges and confirms that the Lender is not receiving any benefit, collateral advantage or revenue directly or indirectly from third parties resulting from or incidental to this Commitment or the Loan transaction resulting therefrom.

17. **No Merger**

It is understood and agreed that the execution and delivery of the Security Documents shall in no way merge or extinguish this Letter of Commitment or the terms and conditions hereof, which shall be continued in full force and effect. In the event of any discrepancy between the terms of this Letter of Commitment and any of the Security Documents or any discrepancy as between any of the Security Documents, the Lender, in its sole discretion, shall decide the provisions of which document shall prevail. Alternatively, this Letter of Commitment shall be paramount and supersede all of the Security Documents which shall be read and construed to give effect to this Letter of Commitment.

18. **Sale of Property**

The Lender shall permit the Borrower to change the limited partners and/or their percentage limited partnership interest in the Limited Partnership, provided that the Lender has given its prior written approval, not to be unreasonably withheld. In the event that changes regarding limited partners and/or their limited partnership interests occur and the Lender, acting reasonably, has not approved the transfer or changes, the outstanding balance of the mortgage, including accrued interest and all of the Lender's costs and expenses, may, at the Lender's option, become due and payable.

19. **Assignment of Commitment**

This Letter of Commitment and the rights and benefits arising therefrom may not be assigned by the Borrower to any other party without the prior written consent of the Lender, which consent may be arbitrarily and unreasonably withheld.

20. **Confidentiality**

Prior to the Funding Date, the Borrower and the Guarantors may not disclose the existence or any details of this Commitment Letter or the transactions contemplated by it to any party whatsoever other than DUCA, the Court, its legal counsel and those who have a need to know and who have agreed to maintain such information in confidence.

21. **Time of the Essence**

Time shall be of the essence in this Letter of Commitment. The times herein specified for the taking of certain action by the Borrower are in each case firm and shall not be extended without the written approval of the Lender.

22. **Interpretation**

This Letter of Commitment shall be interpreted in accordance with the laws of the Province of Ontario.

23. **Indemnification**

The Borrower shall indemnify and save harmless the Lender from and against all losses, damages and expenses directly or indirectly suffered by the Lender resulting from any inaccuracy or misrepresentation in any representation or warranty set forth in this Letter of Commitment, to the extent that the Borrower has actual knowledge of such inaccuracy or misrepresentation at the time of signing this Letter of Commitment.

24. **Prior Dealings**

This Letter of Commitment together with the Discussion Paper/Term Sheet shall supersede any and all prior dealings, whether written or oral, as between the parties hereto and related to this loan.

25. **Amendments**

No term or requirement of this Letter of Commitment or any Security Documents may be waived or varied orally or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Letter of Commitment or any Security Document must be in writing and signed by a duly authorized officer of the Lender or its solicitors and by the Borrower or its solicitors.

26. **Enurement**

This Letter of Commitment shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

27. **Acceptance**

This Letter of Commitment shall remain open for acceptance by the Borrower, in the manner herein specified, until 3 p.m. on the 5th day of September, 2014, after which time, if not accepted, the Lender's offer to finance set forth herein shall be null and void and the Lender shall be under no further obligation to extend or consider financing for the

Borrower and the Lender shall not be responsible for any direct or indirect costs or damages incurred by the Borrower in consequence thereof.

Yours very truly,
AM-STAT CORPORATION

PHILIP H. MERETSKY, Q.C.
PHM/rmb
**Dictated but not read

ACCEPTANCE

THE UNDERSIGNED hereby accepts the terms and conditions of this Letter of Commitment as of this 5th day of September, 2017 and tenders herewith the retainer payable to the Lender's Solicitor, Meretsky Law Firm, the sum of $50,000.00.

Borrower(s):
6910 HIGHWAY SEVEN LIMITED PARTNERSHIP
by its General Partner, 6910 HWY 7 GP INC.

Per: _____
Jerry Juibin Feng – A.S.O.

Per: _____
Patrick Chan – A.S.O.
We have authority to bind the Corporation

Additional Corporate Covenantor(s):
CIMBERG DEVELOPMENTS INC.

Per: _____
Name:
Title:
I have authority to bind the Corporation

Additional Individual Covenantor(s):

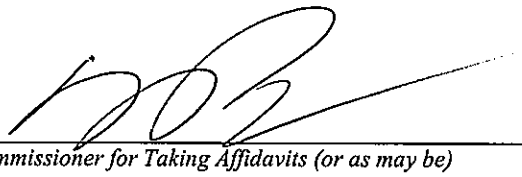
_____ _____
Witness: JERRY JUIBIN FENG

_____ _____
Witness: PATRICK CHAN

Guarantor(s) Initials: _____ Borrower(s) Initials: _____

Tab L

This is Exhibit "L" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

January 25, 2018

VIA REGULAR MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Notice of Cash Call Pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "Limited Partnership")
Our File No: 30025

We enclose a Revised Cash Call Notice dated January 23, 2018. We reduced the legal fees by $50,000.00 regarding the Meretsky Commitment fee because this was already included in Item 2.

There is no change to the deadline date.

Yours truly,

TEPLITSKY, COLSON LLP

Harvin D. Pitch*
Pitch Professional Corporation
HDP/sp

*Encl.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Jennifer J. Lake
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

55 Commerce Valley Drive, West, Suit 502
Markham, ON, Canada, L3T7V9
T:905.597.8858 F:905.597.6885

January 23,2018

REVISED NOTICE OF CASH CALL

Re: AFE and Cash Call Notice for Working Capital & Mortgage Items

6910 Highway Seven Limited Partnership requires to repay Mortgage and additional working capital for 6910 & 6950 HWY 7 East Project

Cash Call for:

1. Amount Required to be paid for re-financing January 18, 2018	$	1,751,135.51
Shortfall: Difference between Duca payment and Am-Stat Advance	$	323,538.26
Am-Stat Brokeage Fee	$	433,260.00
Am-Stat Mtge. Int. Jan. 17-Feb 1. Payable January 18, 2018	$	100,679.17
Am-Stat Prepayment for Holdback 4 months interest	$	805,433.36
Am-Stat Legal Fees	$	45,000.00
Property Tax Arrears	$	43,224.22
2. Meresky Commitment Letter Fees	$	50,000.00
3. Am-Stat Application Fee	$	25,000.00
4. Legal Costs, TC, MT, Devine (As per Schedule Attached)	$	573,846.64
5. Interest on Mortgage Loan - Am-Stat Month June & July	$	402,716.66
Total	$	2,802,698.81

Total amount of Cash Call is $2,852,698.81 required from the partners

The detail request of Cash Call at this time is as follows:

1. **Cimberg Development Inc.** $2,802,698.81 **X50%=$1,401,349.40**
2. **2563111 Ontario Inc.** $2,802,698.81 **X50%=$1,401,349.40**

Deadline:

1. $2,399,982.15 ($1,826,135.51+ $573,846.64) Amount due with 2 business days from the date the notice of cash call is sent. These monies have been paid by Cimberg for its share & 256311 Ontario Inc's share. Therefore, 256311 Ontario Inc is required to pay Cimberg $1,199,991.07.

2. $ 402,716.66 On or before 30 days from the date the notice of cash call is sent representing June-July 2018 interest payment – 2 Months. Cimberg & 2563111 Ontario Inc are required to pay the GP $201,358.33 from each company.

AFE Approval:

Please find the latest Authorization for the Expenditure (AFE) from the General Partner 6910 HWY 7 GP Inc. on behalf of the 6910 Highway Seven Limited Partnership.

Upon Receipt at this notice, please kindly delivery a bank draft or certified cheque payable to 6910 Highway Seven Limited Partnership. with above indicated amount to below address within the deadline:

55 Commerce Valley Drive, West, Suit 502. Markham, ON, Canada, L3T7V9

Approved and Accepted By:

Jiubin Feng

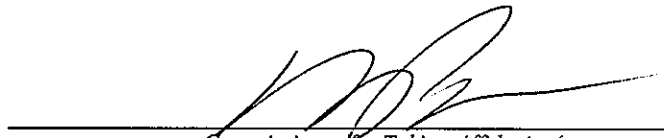
Dated as the 22th date of January of 2018

Legal Cost

Name:	Invoice#:	Date	Amount	
Teplitsky, Colson LLP	185214A	06/30/2017	$ 64,329.26	
Teplitsky, Colson LLP	185466A	07/31/2017	$ 45,980.27	
Teplitsky, Colson LLP	185964A	08/31/2017	$ 52,672.11	
Teplitsky, Colson LLP	186415A	09/30/2017	$ 109,470.28	Legal For Kronnenfeld
Teplitsky, Colson LLP	186904	10/31/2017	$ 50,910.99	
Teplitsky, Colson LLP	187046	11/30/2017	$ 112,426.59	
Teplitsky, Colson LLP	189419	01/03/2018	$ 89,475.89	
Miller Thomson	3062766	06/30/2017	$ 24,492.22	
Devine Park LLP	1958	07/06/2017	$ 9,668.57	
Devine Park LLP	2278	12/05/2017	$ 552.01	
Devine Park LLP	2120	09/06/2017	$ 5,295.34	Legal-Planning & Development
Devine Park LLP	2026	08/03/2017	$ 8,573.11	
Total			$ 573,846.64	

Tab M

This is Exhibit "M" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

March 7, 2018

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Contribution Default Notice Pursuant to Section 5.6 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")
Our File No: 30025

Attached please find a Contribution Default Notice which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 5.6 of the LPA.

The Revised Notice of Cash Call required Cimberg Developments Inc. and 2563111 Ontario Inc. to each make payments of $1,401,349.40. As Cimberg Developments Inc. has already paid $2,399,982.15 by virtue of having paid 2563111 Ontario Inc.'s portion ($1,199,991.07) of items 1-4 on the Revised Notice of Cash Call, it is not required at this stage to additionally pay its share ($201,358.33) of the June-July 2018 interest payment.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Harvin D. Pitch*
*Pitch Professional Corporation
HDP/mc

*Encls.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson and Benjamin Mann
- Jennifer J. Lake
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

CONTRIBUTION DEFAULT NOTICE

TO: **2563111 Ontario Inc. ("256")**
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2

AND

TO: **Cimberg Developments Inc. ("Cimberg")**
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

With copies to:

MILLER THOMSON LLP
5800-40 King Street West
Toronto ON M5H 3S1
Attention: James Hutchinson and Benjamin Mann

CAPO SGRO LLP
7050 Weston Road, Ste 400
Woodbridge ON L4L 8G7
Attention: Frank C. Sgro

BY: **6910 HWY 7 GP Inc. (the "General Partner")**
502-55 Commerce Valley Drive West
Markham ON L3T 7V9

RE: **Contribution Default Notice pursuant to Section 5.6 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")**

NOTICE IS HEREBY GIVEN THAT:

1. 256 has failed to advance its Proportionate Share of the Cash Call set out in the Revised Notice of Cash Call dated January 23, 2018 and delivered January 25, 2018, a copy of which is attached hereto as Schedule "A".

2. The General Partner is hereby providing written notice of such failure to 256, the Non-Contributor, and to the other Limited Partner, Cimberg, the Contributor.

3. 256 has ten (10) Business Days from the date hereof to deliver a certified cheque or bank draft in the amount of $1,199.991.07 payable to Cimberg Developments Inc. at 55 Commerce Valley Drive West, Suite 502, Markham ON L3T 7V9, failing which its failure to do so shall be an Event of Default under the LPA.

Dated this 7th day of March, 2018

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP,
by its General Partner, **6910 HWY 7 GP INC.**

Jiubin Feng

Schedule "A"

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

January 25, 2018

VIA REGULAR MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: **Notice of Cash Call Pursuant to Section 5.5 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "Limited Partnership")**
Our File No: 30025

We enclose a Revised Cash Call Notice dated January 23, 2018. We reduced the legal fees by $50,000.00 regarding the Meretsky Commitment fee because this was already included in Item 2.

There is no change to the deadline date.

Yours truly,

TEPLITSKY, COLSON LLP

Harvin D. Pitch*
Pitch Professional Corporation
HDP/sp

*Encl.

Copies via email to:

- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Jennifer J. Lake
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

55 Commerce Valley Drive, West, Suit 502
Markham, ON, Canada, L3T7V9
T:905.597.8858 F:905.597.6885

January 23,2018

REVISED NOTICE OF CASH CALL

Re: AFE and Cash Call Notice for Working Capital & Mortgage Items

6910 Highway Seven Limited Partnership requires to repay Mortgage and additional working capital for 6910 & 6950 HWY 7 East Project

Cash Call for:

1. Amount Required to be paid for re-financing January 18, 2018	$ 1,751,135.51
Shortfall: Difference between Duca payment and Am-Stat Advance	$ 323,538.26
Am-Stat Brokeage Fee	$ 433,260.00
Am-Stat Mtge. Int. Jan. 17-Feb 1. Payable January 18, 2018	$ 100,679.17
Am-Stat Prepayment for Holdback 4 months interest	$ 805,433.36
Am-Stat Legal Fees	$ 45,000.00
Property Tax Arrears	$ 43,224.22
2. Meresky Commitment Letter Fees	$ 50,000.00
3. Am-Stat Application Fee	$ 25,000.00
4. Legal Costs, TC, MT, Devine (As per Schedule Attached)	$ 573,846.64
5. Interest on Mortgage Loan - Am-Stat Month June & July	$ 402,716.66
Total	$ 2,802,698.81

Total amount of Cash Call is $2,852,698.81 required from the partners

The detail request of Cash Call at this time is as follows:

1. **Cimberg Development Inc.** $2,802,698.81 **X50%=$1,401,349.40**
2. **2563111 Ontario Inc.** $2,802,698.81 **X50%=$1,401,349.40**

Deadline:

1. $2,399,982.15 ($1,826,135.51+ $573,846.64) Amount due with 2 business days from the date the notice of cash call is sent. These monies have been paid by Cimberg for its share & 256311 Ontario Inc's share. Therefore, 256311 Ontario Inc is required to pay Cimberg $1,199,991.07.

2. $ 402,716.66 On or before 30 days from the date the notice of cash call is sent representing June-July 2018 interest payment – 2 Months. Cimberg & 2563111 Ontario Inc are required to pay the GP $201,358.33 from each company.

AFE Approval:

Please find the latest Authorization for the Expenditure (AFE) from the General Partner 6910 HWY 7 GP Inc. on behalf of the 6910 Highway Seven Limited Partnership.

Upon Receipt at this notice, please kindly delivery a bank draft or certified cheque payable to 6910 Highway Seven Limited Partnership. with above indicated amount to below address within the deadline:

55 Commerce Valley Drive, West, Suit 502. Markham, ON, Canada, L3T7V9

Approved and Accepted By:

Jiubin Feng

Dated as the 22th date of January of 2018

Legal Cost

Name:	Invoice#:	Date	Amount	
Teplitsky, Colson LLP	185214A	06/30/2017	$ 64,329.26	
Teplitsky, Colson LLP	185466A	07/31/2017	$ 45,980.27	
Teplitsky, Colson LLP	185964A	08/31/2017	$ 52,672.11	
Teplitsky, Colson LLP	186415A	09/30/2017	$ 109,470.28	Legal For Kronnenfeld
Teplitsky, Colson LLP	186904	10/31/2017	$ 50,910.99	
Teplitsky, Colson LLP	187046	11/30/2017	$ 112,426.59	
Teplitsky, Colson LLP	189419	01/03/2018	$ 89,475.89	
Miller Thomson	3062766	06/30/2017	$ 24,492.22	
Devine Park LLP	1958	07/06/2017	$ 9,668.57	
Devine Park LLP	2278	12/05/2017	$ 552.01	
Devine Park LLP	2120	09/06/2017	$ 5,295.34	Legal-Planning & Development
Devine Park LLP	2026	08/03/2017	$ 8,573.11	
Total			$ 573,846.64	

Tab N

This is Exhibit "N" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

JENNIFER J. LAKE
Direct Line: (416) 865-5331
E-mail: jlake@teplitskycolson.com

April 2, 2018

VIA MAIL, REGISTERED MAIL AND EMAIL

2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2
Email: khurramshroff@gmail.com

Cimberg Developments Inc.
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

Dear 2563111 Ontario Inc. and Cimberg Developments Inc.:

RE: Default Notice Pursuant to Section 10.2 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")
Our File No: 30025

Attached please find a Default Notice which is hereby delivered to you on behalf of the General Partner, 6910 HWY 7 GP Inc., pursuant to Section 10.2 of the LPA.

Please note that we are writing to 256 directly and copying its lawyer, Frank Sgro, as required under the Notice provisions of the LPA. As a courtesy, we have also copied 2563111 Ontario Inc.'s litigation lawyer, Christopher Stanek.

Thank you.

Yours truly,

TEPLITSKY, COLSON LLP

Jennifer J. Lake
JJL/mc

*Encls.

Copies via email to:

- Harvin D. Pitch
- Capo Sgro LLP, Attention: Frank Sgro / fsgro@csllp.ca
- Miller Thomson LLP, Attention: James Hutchinson and Benjamin Mann
- Christopher Stanek / Christopher.stanek@gowlingwlg.com

DEFAULT NOTICE

TO: **2563111 Ontario Inc. ("256")**
500 Cochrane Drive, Unit 4
Markham ON L3R 8E2

AND
TO: **Cimberg Developments Inc. ("Cimberg")**
401-1 West Pearce St.
Richmond Hill ON L4B 3K3

With copies to:

MILLER THOMSON LLP
5800-40 King Street West
Toronto ON M5H 3S1
Attention: James Hutchinson and Benjamin Mann

CAPO SGRO LLP
7050 Weston Road, Ste 400
Woodbridge ON L4L 8G7
Attention: Frank C. Sgro

BY: **6910 HWY 7 GP Inc. (the "General Partner")**
502-55 Commerce Valley Drive West
Markham ON L3T 7V9

RE: **Default Notice pursuant to Section 10.2 of the Amended and Restated Limited Partnership Agreement dated May 5, 2017 (the "LPA") of the 6910 Highway Seven Limited Partnership (the "LP")**

NOTICE IS HEREBY GIVEN THAT:

1. 256 failed to advance its Proportionate Share of the Cash Call ($1,199.991.07) set out in the Contribution Default Notice dated March 7, 2018 within ten (10) business days.

2. 256's failure is an Event of Default pursuant to Section 10.2 of the LPA.

3. The General Partner is hereby providing written notice of the Event of Default by way of this Default Notice to 256, the Defaulter, and to the other Limited Partner, Cimberg, the Non-Defaulter. 256 has thirty (30) days from the date hereof to remedy its default and deliver a certified cheque or bank draft payable to Cimberg in the amount of $1,199,991.07, together with interest as set out in

Section 5.8 of the LPA, to 55 Commerce Valley Drive West, Suite 502, Markham On L3T 7V9.

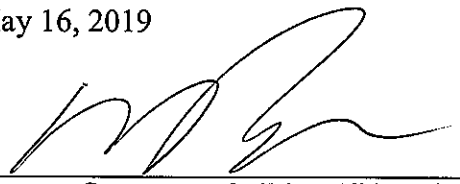
Dated this 29th day of March, 2018

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP,
by its General Partner, **6910 HWY 7 GP INC.**

Jiubin Feng

Tab O

This is Exhibit "O" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

December 7, 2018

DELIVERED BY COURIER, REGISTERED MAIL, ORDINARY MAIL AND EMAIL

Attention: Khurram Shroff
2563111 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham, ON L3R 8E2
Email: khurramshroff@gmail.com

Attention: Khurram Shroff
2563112 Ontario Inc.
500 Cochrane Drive, Unit 4
Markham, ON L3R 8E2
Email: khurramshroff@gmail.com

Dear Sirs:

RE: Loan Agreement ("Loan Agreement") dated May 5, 2017 entered into between Cimberg Developments Inc. ("Cimberg") and 2563111 Ontario Inc. ("256 Inc.") and 2563112 Ontario Inc.
Our File No. 30025

We represent Cimberg the lender under the Loan Agreement. By the terms of that Agreement, Cimberg lent the borrower 256 Inc. a non-revolving loan up to $10,857,831.58 which sum has been advanced. The Loan was guaranteed by 2563112 Ontario Inc.

Under Section 15(b) of the Loan Agreement it is an "Event of Default" if 256 Inc. failed to observe or perform in any material respect any obligation, covenant or term contained in the Loan Agreement or any other agreement between 256 Inc. and Cimberg.

256 Inc., Cimberg and 6910 HWY 7 GP Inc. entered into the Amended and Restated Limited Partnership Agreement ("LP Agreement") made as of May 5, 2017 which provided in Section 5.5 that the Limited Partners including 256 Inc. were required to provide a capital contribution when they received a Notice to Contribute.

Such a Notice to Contribute dated January 23, 2018 was delivered to 256 Inc. on January 25, 2018.

256 Inc. failed to advance its proportionate share of the additional capital pursuant to the Notice to Contribute and was sent a Contribution Default Notice dated March 7, 2018 pursuant to section 5.6 of the LP Agreement. That Notice required 256 Inc. to pay its contribution share within 10 days and failure to do so would be considered an Event of Default within the meaning of Section 1.1 (z) (i) of the LP Agreement. 256 failed to advance this proportionate share within that 10 day period and therefore committed an Event of Default. That Event of Default under the LP Agreement constitutes a failure by 256 Inc. to observe or perform in a material respect, its obligations under the LP Agreement and is therefore, an Event of Default under Article 15(b) of the Loan Agreement.

In accordance with Section 16 of the Loan Agreement, the Event of Default having occurred, Cimberg hereby declares that the Loan is immediately due and payable.

Cimberg calls upon the borrower 256 Inc. and the guarantor 25631112 Ontario Inc. to repay the Loan within 20 days of the date hereof failing which Cimberg shall proceed to take all remedies available as set out in the Loan Agreement; the General Security Agreement dated May 5, 2017 and executed by 256 Inc.; the Securities Pledge Agreement made May 5, 2017 between 256 Inc. and Cimberg and the Securities Pledge Agreement made on May 5, 2017 between 2563112 Ontario Inc. and Cimberg.

We also enclose:

(a) Notice of Intention to Enforce a Security Pursuant to Section 244 (1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 addressed to 2563111 Ontario Inc.; and

(b) Notice of Intention to Enforce a Security Pursuant to Section 244 (1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 addressed to 2563112 Ontario Inc.

Yours truly,

TEPLITSKY COLSON LLP

Harvin D. Pitch*
*Pitch Professional Corporation
/sp

*Encls.

cc: Frank Sgro
cc: Christopher Stanek

Notice of Intention to Enforce a Security Pursuant to Section 244 (1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3

TO: 2563111 Ontario Inc. an insolvent person take notice that:

1. Cimberg Developments Inc., a secured creditor, intends to enforce its security on the insolvent person's property described below:

    - 10,000 Class B Units in 6910 Highway Seven Limited Partnership
    - 16,000,000 Class A Units in 6910 Highway Seven Limited Partnership
    - 100 Common shares in the capital of 6910 Hwy7 Inc.

2. The security that has to be enforced is the following:
    a. General Security Agreement dated May 5, 2017 and executed by 2563111 Ontario Inc.;
    b. Securities Pledge Agreement made on May 5, 2017 between Cimberg Developments Inc. and 2563111 Ontario Inc.;

3. The total amount of the indebtedness secured by the security is $10,857,831.58

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 7th December, 2018.

Cimberg Developments Inc.

Jerry Feng – President

Patrick Chan – Secretary

Notice of Intention to Enforce a Security Pursuant to Section 244 (1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3

TO: 2563112 Ontario Inc. an insolvent person take notice that:

1. Cimberg Developments Inc., a secured creditor, intends to enforce its security on the insolvent person's property described below:

    - 100 Common shares in the capital of 6910 Hwy7 Management Inc.

2. The security that has to be enforced is the following:

    a. Corporate Guarantee dated May 5, 2017 and executed by 2563112 Ontario Inc.
    b. General Security Agreement dated May 5, 2017 and executed by 2563112 Ontario Inc.;
    c. Securities Pledge Agreement made on May 5, 2017 between 2563112 Ontario Inc. and Cimberg Developments Inc.;

3. The total amount of the indebtedness secured by the security is $10,857,831.58

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10 day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 7th December, 2018.

Cimberg Developments Inc.

Jerry Feng – President

Patrick Chan – Secretary

Tab P

This is Exhibit "P" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

December 19, 2018

Christopher Stanek
Direct +1 416 862 4369
christopher.stanek@gowlingwlg.com
File no. T1012224

VIA ELECTRONIC MAIL

Mr. Harvin D. Pitch
Teplitsky Colson LLP
Barristers and Solicitors
70 Bond Street, Suite 200
Toronto ON M5B 1X3

Dear Mr. Pitch:

RE: Loan Agreement ("Loan Agreement") dated May 5, 2017 entered into between Climberg Developments Inc. ("Climberg") and 2563111 Ontario Inc. ("256 Inc.") and 2563112 Ontario Inc. and "Notice of Default" dated November 28, 2018
Your file No. 30025

I am writing with respect to your e-mail of November 28, 2018 and your letter of December 7, 2018.

Your client claims that the alleged failure of 2563111 Ontario Inc. to comply with a "Notice of Cash Call" dated January 24, 2018 is a "default" and a "breach" of s. 15(b) of the Loan Agreement. This position is incorrect in law and any attempt by your client to rely upon an alleged failure to comply with the "Notice of Cash Call" is oppressive and a violation of s. 248 of the Ontario *Business Corporations Act.*

Firstly, there is no reference to any "Notice of Cash Call" in any of the Agreements between our respective clients.

Secondly, if the "Notice of Cash Call" was intended to be a Notice to Contribute under the Amended and Restated Partnership Agreement, it was improperly issued. There are a number of articles in various Agreements which require your client's good faith and the specific agreement of 2563111 Ontario Inc. ("2563111") before a Notice to Contribute can be issued. In this regard, we direct you to Sections 4.1, 4.2(a), 5.5 of the Amended and Restated Limited Partnership Agreement. We also direct you to the Unanimous Shareholders' Agreement of the General Partner, Section 2.5 of which expressly requires the consent of 2563111 to all Major Decisions including financing and contribution of capital. The Unanimous Shareholder Agreement with respect to the management company contains identical provisions. We note that no such consultation occurred with respect to the "Notice of Cash Call" and the specific provisions of the Agreements were not followed.

Thirdly, the Amended and Restated Partnership Agreement provides, at Article 5, a comprehensive code concerning what occurs if a limited partner is not able to make a contribution after receiving a proper Notice to Contribute. Section 5.8 provides that if a Notice to Contribute is not honoured, the contributing party shall have the right, at its option, to pay the non-contributor's proportionate share of such additional capital to the limited partnership and it shall be deemed to be a loan. That loan is to bear interest as set out in the Amended and Restated Partnership Agreement. That loan is also to be repaid from any

proceeds payable and the contributing party would have a charge on the non-contributing limited partner's units.

We note also that the Partnership shall maintain capital accounts for limited partners. We have seen no production of any capital accounts and suspect that they have not been kept.

In any event, your client could be entitled to recover what it has paid when there is income to distribute from the limited partnership if it observe the provisions of the Agreements it signed. Such recovery is specifically contemplated by the Amended and Restated Partnership Agreement, should your client be interested in observing its legal obligations.

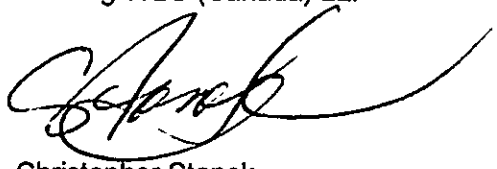
Your client is not entitled to remove 256311's voting rights and unilaterally replace the directors that 2563111 is entitled to appoint. The Resolution dated November 16, 2018 and the "Notice of Change" dated November 28, 2018 are both nullities and oppression as that term is defined in the *Business Corporations Act*. We demand that you reverse these decisions immediately and remove them from the relevant Minute Books.

Your client is also not entitled to seize our client's equity under the Loan Agreement. We note that the Loan Agreement specifically bears 0% interest. As such, no payments are due and owing at any time. Therefore, no default has been made under the Loan Agreement. Your client's attempt to seize our client's interest in the limited partnership based on an alleged default of the Loan Agreement is also contrary to law and is oppression. We ask that your client withdraw its Notices of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* with respect to both 2563111 Ontario Inc. and 2563112 Ontario Inc.

If your client does not reverse its oppressive acts set out above in the next two weeks, then we will commence proceedings against your clients without further notice to you.

Yours truly,

Gowling WLG (Canada) LLP



Christopher Stanek

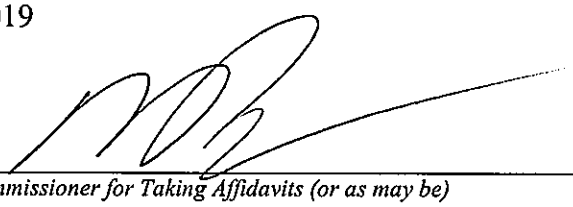
CMS
bcc: Client
TOR_LAW\ 9747597\1

Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto ON M5X 1G5 Canada

T +1 416 862 7525
F +1 416 862 7661
gowlingwlg.com

Tab Q

This is Exhibit "Q" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

TEPLITSKY, COLSON LLP
BARRISTERS

Suite 200, 70 Bond Street
Toronto, Ontario
M5B 1X3
Telephone: (416) 365-9320
Facsimile: (416) 365-7702

HARVIN D. PITCH
Direct Line: (416) 865-5310
E-mail: hpitch@teplitskycolson.com

January 2, 2018

VIA EMAIL

Mr. Christopher Stanek
Gowling WLG
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario, M5X 1G5

Dear Mr. Stanek:

RE: Change of GP and Demand for repayment of the Loan
Loan Agreement dated May 5, 2017 ("Loan Agreement")
Notice of Default and Resolution dated November 28, 2018
Our File No.: 30025

I write by way of response to your letter of December 19, 2018 wherein, *inter alia*, you object to the replacement of the GP and the demand for repayment of the Loan.

Cimberg Developments Inc. ("Cimberg") was entitled to take control of the GP and make all major decisions.

The basis of your challenge to the Notices to Contribute issued by the GP is Cimberg's authority to make the "Major Decisions" under the Amended and Restated Limited Partnership Agreement ("LP Agreement").

256 committed an Event of Default under the LP Agreement when it acquired its LP units which were encumbered with Simion Kronenfeld's equitable interest. That equitable interest arose when Khurram Shroff, on behalf of 2334266 Ontario Inc. ("233"), signed an Agreement of Purchase and Sale with Kronenfeld ("Kronenfeld APS"). 256's ownership of those encumbered LP units continues to date.

In addition, your clients never advised Cimberg about the Kronenfeld APS when Cimberg paid 233 $8 million for its LP interest and Cimberg only learned of the existence of the Kronenfeld APS when it discovered on June 6, 2017 that Mr. Kronenfeld had commenced an action to enforce the APS including a motion for a CPL. Cimberg was therefore entitled to deliver, and did deliver, a Notice confirming that 256 was a Defaulter pursuant to the LP Agreement and the

Unanimous Shareholder Agreement ("USA"), had committed an Event of Default pursuant to Section 1.1(z)(iii) of the LP Agreement and had forfeited any right to give approval under the LP Agreement or to vote at shareholder meetings pursuant to section 2.6(b) of the USA.

Cimberg was also entitled to deliver, and did deliver, a Default Notice under Article 10 of the LP Agreement. 256 failed to remedy the default.

Since June 2017 when this litigation began, Cimberg has had to shoulder the entire and substantial cost of defending the lawsuit on behalf of the LP and GP, refinancing the DUCA Mortgage, and paying the monthly interest on the Am-Stat Mortgage.

Clearly, this situation is untenable. Your client has abandoned all support for the LP and should no longer be a participant in the GP. The Mortgage will have to be refinanced in the New Year and Cimberg should not be confronted again with the obstructive behaviours your clients previously engaged in when, notwithstanding that they promised to sign the Corporate Resolutions required by the new mortgagee, we were required to threaten to commence Commercial Court proceedings in order to secure their signatures to the Corporate Resolutions.

Demand for Repayment of the Loan

With respect to the demand for repayment of the Loan under the Loan Agreement, there is a clear Cross Default Clause contained in the Loan Agreement. Your clients were directly involved in constituting the terms of the Loan Agreement and the other agreements and documents which were negotiated between the parties, their financial advisors (in your clients' case, Collins Barrow who devised the structure of the transaction) and their lawyers acting at arm's length.

Yours truly,

TEPLITSKY COLSON LLP

Harvin D. Pitch*
*Pitch Professional Corporation
HDP/sp

cc: Jennifer Lake

Tab R

This is Exhibit "R" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

6910 HWY 7

Interest Paid

1/17/2018	Duca Interest up to Jan 17, 2018	726,935.39	
1/17/2018	Interest Jan 17 to Feb 1, 2018	100,679.17	
1/17/2018	Interest Feb 1-28, 2018 - Am - Stat	201,358.33	
1/17/2018	Interest Mar 1-31, 2018	201,358.33	
1/17/2018	Interest Apr 1-30, 2018	201,358.33	**Jan 23, 2018 Cash Call Included**
1/17/2018	Interest May 1-31, 2018	201,358.33	2,035,764.56
7/1/2018	Jun 2018 Monthly Interest- Am- Stat	201,358.34	
8/1/2018	Jul 2018 Monthly Interest- Am- Stat	201,358.34	
9/1/2018	Aug 2018 Monthly Interest- Am- Stat	201,358.34	
10/1/2018	Sep 2018 Monthly Interest- Am- Stat	201,358.34	
11/1/2018	Oct 2018 Monthly Interest- Am- Stat	201,358.34	
12/1/2018	Nov 2018 Monthly Interest- Am- Stat	201,358.34	CIMberg paid interest
1/1/2019	Dec 2018 Monthly Interest- Am- Stat	201,358.34	**1,409,508.38**
2/1/2019	Jan 2019 Monthly Interest- Am- Stat	201,358.34	
3/1/2019	Feb 2019 Monthly Interest- Am- Stat	201,358.34	
4/1/2019	Mar 2019 Monthly Interest- Am- Stat	-	**Unpaid**
5/1/2019	Apr 2019 Monthly Interest- Am- Stat	-	**Unpaid**
		3,445,272.94	

Broker Fees paid/ Renewal fee

9/11/2017	To record Am-stat proposed broker fee retainer from Cimberg for 6910 Highway 7 Limited Partnership	50,000.00	**Jan 23, 2018 Cash Call Included**

1/17/2018	AM- Stat Broker fee 2%	433,260.00	**483,260.00**
2/1/2019	Mortgage renewal fee 1% x 243,160,000	[redacted]	**CIMberg paid interest**
		726,420.00	

Tab S

This is Exhibit "S" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

MERETSKY LAW FIRM
Barristers & Solicitors

Reply to: Philip H. Meretsky, Q.C.
Email: phm@meretsky.com
File No.: 005045

April 8, 2019
VIA EMAIL

6910 Hwy7 Inc.
c/o Messrs. Feng and Chan
500 Cochrane Drive, Suite 4
Markham, Ontario
L3R 8E2

Dear Sirs:

Re: Am-Stat Corporation $24,163,000.00 first mortgage loan to 6910 Hwy7 Inc. – 6910 and 6950 Highway 7 East, Markham, Ontario (Pt Lot 11 con 9 Markham; Part Lot 12, Con 9 Markham as in R436658, Markham, Ontario, being all of PIN 70013-0216 LT *and* Pt Lot 11 Con 9 Pt Lot 12 Con 9 Markham as in R517792, Markham, Ontario, being all of PIN 70013-0215 LT (the "Property")

Our client advises that the mortgage instalment payment due April 1, 2019 with respect to the above in the amount of $201,358.34 has been returned by its bank "item returned – unpaid". Absent receipt of a bank draft or certified cheque in the amount of $201,358.34 by **2 p.m today (Monday, April 8, 2019)** at this office, our client will immediately inform the solicitors for all parties to the Mediation, including the Mediator, of this development and retain legal counsel to enforce the mortgage by legal proceedings. It goes without saying that failure to comply with this demand for payment today will prejudice the availability of any renewal of any existing financings between Am-Stat Corporation and the CIM Group or consideration of any further financing.

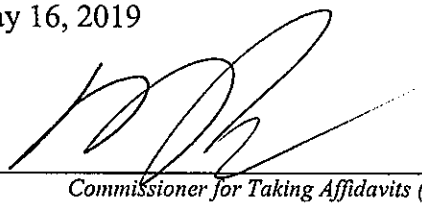
Kindly govern yourself accordingly.

Yours very truly,
MERETSKY LAW FIRM

PHILIP H. MERETSKY, Q.C.
PHM/rmb
cc: Mr. Patrick Chan
Mr. Harvin Pitch
Mr. James Hutchinson (Miller Thomson)

Tab T

This is Exhibit "T" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

April 11, 2018

VIA ELECTRONIC MAIL

Christopher Stanek
Direct 416-862-4369
christopher.stanek@gowlingwlg.com
File No. T1012224

Mr. Philip H. Meretsky, Q.C.
Meretsky Law Firm
Barristers & Solicitors
121 King Street West
Suite 2150
Standard Life Centre
Toronto, Ontario
M5H 3T9

Dear Mr. Meretsky:

Re: Am-Stat Corporation $24,163,000 first Mortgage Loan to 6910 Hwy7 Inc. et al
Your File: 005045
Our Client: Firoz Shroff

We are writing on behalf of the fifty percent interest in the 6910 Highway 7 Partnership. We are in receipt of your letter to 6910 Hwy7 Inc. dated April, 2019 which was shared with us by their counsel, Mr. Harvin Pitch.

We sincerely apologize in the delay in payment to you by the Partnership.

We request a time to come meet you to discuss a renewal of the first mortgage for one year with additional personal guarantees.

We need an indication if you will be amicable to renew the first mortgage on due date so that we may act accordingly and find a replacement first mortgage.

Our client Firoz Shroff is available to meet you anytime this week.

Sincerely,

Gowling WLG (Canada) LLP

Christopher Stanek

CS:hjd

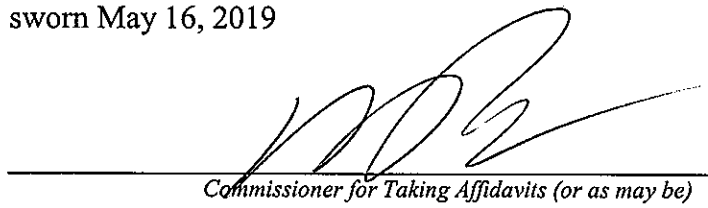
GOWLING WLG

cc: Mr. Harvin D. Pitch
Teplitsky Colson LLP
Your Clients: 6910 Hwy7 Inc., 6910 Hwy 7 GP Inc., 6910 Highway Seven Limited Partnership, Cimberg Developments Inc., Kingsberg Development Corporation, Patrick Chan, Wei (Andrew) Fang & Jerry Feng
Your File No: 29543

TOR_LAW\ 9874712\1

Tab U

This is Exhibit "U" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

DICKINSON WRIGHT LLP

199 BAY STREET, SUITE 2200
P.O. BOX 447, COMMERCE COURT POSTAL STATION
TORONTO, ON CANADA M5L 1G4
TELEPHONE: (416) 777-0101
FACSIMILE: (844) 670-6009
http://www.dickinsonwright.com

DAVID P. PREGER
DPreger@dickinson-wright.com
(416) 646-4606

April 11, 2019

VIA EMAIL, COURIER & REGISTERED MAIL

6910 Hwy7 Inc.
505 Commerce Valley Drive West
Markham ON L3T 7V9

Attention: Jerry Feng, President

Dear Sir:

Re: Am-Stat Corporation

We are lawyers for for Am-Stat Corporation ("**Am-Stat**").

We refer to the following:

1. Charge/Mortgage of Land (the "**Mortgage**") in the principal amount of $24,163,000 granted in favour of Am-Stat and registered as Instrument No. YR2784762 on January 17, 2018, on title to the property municipally known as 6950 Highway No. 7 East, Markham; and
2. General Security Agreement granted by 6910 Highway Seven Limited Partnership and 6910 Hwy7 Inc. in favour of Am-Stat dated January 2018

(collectively, the "**Security**").

Hwy7 Inc. is in default of its obligation to pay interest of $201,358.34 due April 1, 2019 pursuant to the Mortgage. Accordingly, we hereby make formal demand for payment of the indebtedness owing by Hwy7 Inc. to Am-Stat in the amount of $24,437,785.17 as at April 11, 2019, together with all interest accrued thereon at the rate of $6,675.17 per day, plus costs, including lawyers' fees and expenses which may be incurred by Am-Stat in connection with the recovery of the indebtedness owing. Interest will continue to accrue until payment is received.

We enclose a Notice of Intention to Enforce Security delivered pursuant to Section 244 of the *Bankruptcy and Insolvency Act*. Please acknowledge receipt of this letter and the enclosure by signing the acknowledgment and consent below and return the same to the undersigned.

Very truly yours,

DICKINSON WRIGHT LLP

David P. Preger

DPP/lm
Encls.

Tab V

This is Exhibit "V" referred to in the Affidavit of Patrick Chan sworn May 16, 2019

Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

April 11, 2019

VIA ELECTRONIC MAIL

Christopher Stanek
Direct 416-862-4369
christopher.stanek@gowlingwlg.com
File No. T1012224

Mr. Harvin D. Pitch
Teplitsky Colson LLP
Barristers & Solicitors
Suite 200
70 Bond Street
Toronto, Ontario
M5B 1X3

Your Clients: 6910 Hwy 7 GP Inc., & Cimberg Developments Inc.

Mr. James Hutchison
Miller Thomson LLP
Barristers & Solicitors
Scotia Plaza
40 King Street West
Suite 5800
Toronto, Ontario
M5H 3S1

Dear Sirs:

Re: Default of 6910 Hwy 7 GP Inc. as the General Partner of the 6910 Highway Seven Limited Partnership

We are in receipt of notice from Meretsky Law Firm of the default of 6910 Hwy7 Inc. of its obligations with respect to the first mortgage from Am-Stat Corporation in the amount of $24,163,000.00. Specifically, the failure to make the April 1, 2019 interest payment.

This letter shall serve as notice of the failure of 6910 Hwy 7 GP Inc.'s to satisfy the debts and obligations of 6910 Highway Seven Limited Partnership as required by the Amended and Restated Partnership Agreement dated May 5, 2017 (the "**PA**"). The deliberate choice of the General Partner to fail to pay the interest owing on the first mortgage is wilful misconduct of the General Partner as identified in section 4.9 of the PA. As such, 2563111 Ontario Inc. ("**2563111**"), Khurram Shroff and Firoz Shroff claim indemnity under the Amended and Restated Partnership Agreement for any and all losses, costs, expenses, damages or liability suffered or incurred by the failure of the General Partner to make the required payments under the first mortgage.

Moreover, should this default continue, 2563111 will exercise any and all remedies at its disposal, including replacing 6910 Hwy GP Inc. with a General Partner that will perform the obligations of the APA.

GOWLING WLG

Please also note that this correspondence will be relied upon in the proceeding commenced by our clients in court file number CV-19-00613193-00 CL, as well as in the proceeding currently being conduct by Justice Spiegel in court file number CV-17-576484.

Sincerely,

Gowling WLG (Canada) LLP

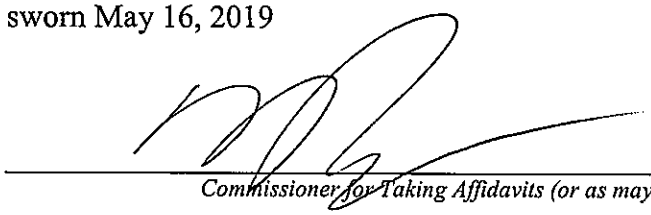
Christopher Stanek

CS:hjd

TOR_LAW\ 9875347\1

Tab W

This is Exhibit "W" referred to in the Affidavit of Patrick Chan sworn May 16, 2019



Commissioner for Taking Affidavits (or as may be)

HARVIN D. PITCH

GOWLING WLG

14 May 2019

Delivered by Email (hpitch@teplitskycolson.com)

E. Patrick Shea, LSM, CS
Direct 416-369-7399
patrick.shea@gowlingwlg.com

Teplitsky Colson LLP
70 Bond Street, Suite 200
Toronto, ON M5B 1X3

Attention: Harvin Pitch

Dear Mr. Pitch:

Re: Am-Stat Corporation v. 6910 HWY7 - Court File No. CV-19-619158-00CL

As you know, the first mortgagor has made demand and brought an application seeking to appoint a receiver over the Property. There is no dispute that the mortgage is in default and it is highly likely that a receiver will be appointed when the Application is returned on 23 May 2019.

In our view, the appointment of a receiver is not in the best interests of our clients and will, in fact, likely be economically prejudicial to our clients. While the receiver will be required to market the Property before accepting an offer and will be obliged to obtain a reasonable price, our experience is that properties often realize less in an enforcement than they would in an "ordinary course" sale. Moreover, interest and costs (including the costs and expenses incurred by the receiver) will be added to the amount secured against the property. This will reduce the amount available for distribution to our respective clients.

We understand that your client is not prepared to bring and keep the mortgage current. As you know, there is a dispute between our clients as to whether our client is obliged to contribute money to pay the mortgage. Our client is, however, prepared to bring and keep the mortgage current while our clients attempt to resolve their issues. Our client would, however, like a (deeply) subordinated charge against the Property to secure any amounts paid to the mortgagor to bring and keep the mortgage current. The purpose of this charge is to protect our client's interests in the event that it is ultimately determined that our client is not obliged to contribute funds to pay the mortgage. In the event that it is determine that our client is required to contribute money to pay the mortgage, the charge would be of no force of effect—to be clear, our client will not rely on the charge to turn an otherwise unsecured claim into a secured claim, but only to recover any funds advanced to bring and keep the mortgage current where it is found that our client had no obligation to contribute money to pay the mortgage. You will appreciate that if it is determined that our client is not obliged to contribute money to pay the mortgage and it pays money to bring and keep the mortgage current, those funds will not be recoverable by our client in the absence of a charge.

We do not believe that there is any dispute that the Court has the jurisdiction to grant a charge to our client. We believe that the charge we are requesting is similar in concept to what would arise on the application of the doctrine of equitable subrogation or the law with respect to the equitable charges on property where a person makes payments on a mortgage.

We would be pleased to refer you to one or two cases on equitable subordination and equitable charges, although we freely concede that there are no cases directly on point.

Sincerely,

GOWLING WLG (CANADA) LLP

E. Patrick Shea, LSM, CS
EPS:fs
cc: client

TOR_LAW\ 9909941\1

AM-STAT CORPORATION
Applicant

v.

6910 HIGHWAY SEVEN LIMITED PARTNERSHIP et al.
Respondents

Court File No. CV-19-619158-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

RESPONDING MOTION RECORD OF THE RESPONDENTS

TEPLITSKY, COLSON LLP
Barristers
70 Bond Street, Suite 200
Toronto Ontario
M5B 1X3

Harvin D. Pitch (LSO #12101P)
Jennifer J. Lake (LSO #53565I)
Tel: (416) 365-9320
Fax: (416) 365-7702

Lawyers for the Respondents