

Court File No. 00007823-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE CUMMING)
MONDAY, THE 1ST DAY
OF DECEMBER, 2008

IN THE MATTER OF THE *ONTARIO BUSINESS CORPORATIONS ACT*,
R.S.O. 1990, C. B16, AS AMENDED

B E T W E E N:

MORRIS GOLDFINGER

Plaintiff

-and-

JACK LECHCIER-KIMEL, SUMMIT GLEN TRAYVAN HOLDINGS INC.,
SUMMIT GLEN WATERLOO/2000 DEVELOPMENTS INC., SUMMIT GLEN
BRANTFORD HOLDINGS INC., RALEIGH STREET INVESTMENTS INC.,
SUMMIT GLEN BRIDGE STREET INC., SUMMIT GLEN FAIRWAY
HOLDINGS INC., ANNOPOL HOLDINGS LTD. and MAHVASH LECHCIER-
KIMEL

Defendants

Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C43, Section 47(1) of the
Bankruptcy and Insolvency Act, R.S.O. 1985, c. B3, as amended and Rule 41 of
the *Rules of Civil Procedure*

ORDER

THIS MOTION, made by the Plaintiff for an interim Order pursuant to
section 47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as
amended (the "BIA") section 248 of the *Ontario Business Corporations Act*,
R.S.O. 1990, c. B-16 (the "OBCA") and section 101 of the *Courts of Justice Act*,
R.S.O. 1990 c. C.43, as amended (the "CJA") appointing Zeifman Partners Inc. as

interim receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of each of the Defendants other than Annopol Holdings ~~Inc.~~^{Inc.}, Jack Lehcier-Kimel and Mahvash Lehcier-Kimel (collectively referred to herein as, the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario

ON READING the affidavit of Dr. Morris Goldfinger, sworn November 4, 2008, and the Responding Affidavit of Dr. Goldfinger dated November 26, 2008, the affidavit of Jack Lehcier-Kimel sworn November 24, 2008 and the Exhibits attached to each affidavit, and on hearing the submissions of counsel for Dr. Goldfinger and each of the Defendants, no one else appearing although duly served as appears from the affidavits of service of Victoria Stewart sworn November 7, 2008 and November 26, 2008 and on reading the consent of Zeifman Partners Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 47(1) of the BIA, section 101 of the CJA and section 248 of the OBCA, Zeifman Partners Inc. is hereby appointed interim receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order including, without limitation,
 - (i) to appoint Sterling Karamar Property Management ("Sterling") as the Receiver's agent who shall, without limiting the foregoing, have the power to perform or carry out those duties and obligations outlined in the letter dated August 29, 2008 from Carl Schwebel to Eric Gossin attached hereto as **Appendix "1"** to this Order (the "Letter Agreement"),

- (d) to compel the Defendants, or any of them, to assist Sterling or the Receiver in the manner contemplated by the Letter Agreement or as may otherwise be reasonably required by the Receiver in the performance of its duties and obligations hereunder;
- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (f) to settle, extend or compromise any indebtedness owing to the Debtor;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (h) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (i) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, as well as against the real property municipally known as 40 Park Lane Circle, Toronto, Ontario; and
- (j) to take any steps reasonably incidental to the exercise of these powers,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege

attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver, or, to the extent it relates to the execution of its duties pursuant to this Order, Sterling, except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written

consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

11. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering,

interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver and Sterling shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver or Sterling may specifically agree in writing to pay,

or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

15. **THIS COURT ORDERS** that the Receiver and Sterling shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on either of their parts. Nothing in this Order shall derogate from the

protections afforded to the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

16. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver, and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the real property security interests in the Property listed on **Appendix "2"** to this Order (the "Receiver's Charge"), to the extent same are valid and enforceable, as determined by this Court.

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

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

FUNDING OF THE RECEIVERSHIP

19. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies

from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the real property security interests in the Property listed on **Appendix "2"** to this Order, to the extent same are valid and enforceable, as determined by this Court.

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

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

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

GENERAL

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

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

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

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

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

28. **THIS COURT ORDERS** that the Receiver shall provide a report to the Court as to the status of the businesses of the Debtor and as to the Receiver's other

activities from the date of this Order up to the date of that report, within 16 days of the date of this Order.

29. **THIS COURT ORDERS** that the Defendant, Jack Lehcier-Kimel shall continue to have access to the offices at 105 University Avenue East, Waterloo, under such supervision, if any, as the Receiver deems appropriate or necessary.

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

Dec. 1, 2008

Peter A. Cumming J.

#1408712

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
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DEC 01 2008

PER / PAR: *TV*

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that Zeifman Partners Inc., the interim receiver (the "Receiver") of all of the assets, undertakings and properties of each of the Defendants other than Annopol Holdings ~~Inc.~~ ^{ML, Ltd. - LLC}, Jack Lechcier-Kimel and Mahvash Lechcier-Kimel (collectively referred to herein as, the "Debtors") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ____ day of _____, 2008 (the "Order") made in an action having Court file number 08-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____, 2008.

ZEIFMAN PARTNERS INC., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity.

Per: _____
Name:
Title:

Appendix 1

Letter Agreement dated August 29, 2008

Attached

APPENDIX '1'

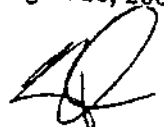
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**MINDEN
GROSS LLP**

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DIRECT DIAL (416) 369-4309
E-MAIL cschwebel@mindengross.com
FILE NUMBER 4066332

29,
August 26, 2008



BY ELECTRONIC MAIL

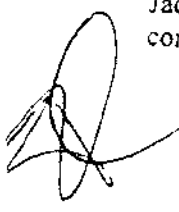
Stancer Gossin Rose LLP
Suite 300
230 Sheppard Ave. W.
North York, ON
M2N 1N1

Attention: Eric B. Gossin

Dear Sirs:

Re: Memorandum of Agreement made as of December 11, 2007 between Jack Lehcier-Kimel ("Kimel"), Mahvash Lehcier-Kimel and Annopol Holdings Limited, of the First Part, Dr. Morris Goldfinger, of the Second Part and each of the corporations named in Schedule 1 to the Memorandum of Agreement, of the Third Part (as amended, the "Memorandum of Agreement") relating to the properties identified in the Schedule attached to this letter (herein called the "Properties")

Reuben Rosenblatt left a voice-mail message for Mitchell Rose yesterday afternoon setting out our client's instructions with respect to the various matters discussed at the meeting on Friday August 22, 2008 (Reuben Rosenblatt, Eleonore Morris, Jack Beaton (part only), Mitchell Rose, Paul Feldman and Jack Lehcier-Kimel attending). You and I subsequently spoke and you asked me to provide a letter confirming what steps are required in order to proceed at this time without serving notices of attornment.

-  1. Not later than noon on ~~August 27~~ ^{September 2nd}, 2008, Kimel will make available for pick up by Sterling Karamar Property Management ("Sterling Karamar") signed notices addressed to the tenants of each Property, in the form attached to this letter ("Notices"). Sterling Karamar will deliver the Notices to tenants of the Properties and will thereafter collect all rents and revenues from the Properties in the ordinary course. Except for intentional wrongdoing or gross mismanagement, neither Sterling Karamar nor Goldfinger will have any liability for rents or other amounts, except moneys actually received.

**MINDEN
GROSS LLP**

2. Kimel will arrange, and a representative of Sterling Karamar will attend (at reasonable times and upon reasonable notice), meetings with Summit Glen's bankers in order to introduce Sterling Karamar to the appropriate bank representatives.
3. Prior to the end of business on ~~August 29~~^{September 24}, 2008, Kimel will sign and deliver to each of the banks at which the Summit Glen Companies maintain bank accounts for any of the Properties ("Banks") all documentation: (i) required to change the signing authorities for each such bank account (individually and collectively referred to as the "Bank Accounts") such that all cheques and withdrawals from the Bank Accounts will require two signatories, one of which will be Kimel and the other of which will be either Jack Beaton or Marshall Bleiweis; and (ii) authorizing the Bank to provide copies of all bank statements, notices and other correspondence pertaining to the Bank Accounts to both Kimel and Sterling Karamar. Provided that all of the matters contemplated in this clause (3) are completed before the end of business on ~~August 29~~^{September 24}, 2008, Sterling Karamar will deposit the rents from the Properties in the Bank Accounts; otherwise Sterling Karamar will be at liberty to open new accounts in its own name (the "Sterling Karamar Accounts") for each or any of the Properties and Kimel will promptly sign and deliver to Sterling Karamar notices directing the tenants of each Property to make rents and other amounts payable to Sterling Karamar. In such event, Kimel and the Summit Glen Companies will endorse cheques and take such other steps as may be required to ensure that all rents and other income from the Properties is deposited to the Sterling Karamar Accounts.
4. Kimel and the Summit Glen Companies will forthwith deliver to Sterling Karamar all post dated cheques from tenants in their possession. Kimel will also forthwith provide to Sterling Karamar a list of all pre-authorized payments and similar arrangements with tenants of the Properties. Kimel represents and warrants to Goldfinger that all pre-authorized payments by tenants are deposited into the Bank Accounts and there are no other bank accounts maintained by Kimel or the Summit Glen Companies with respect to the Properties. Kimel undertakes to promptly deliver (and shall instruct all building superintendents to promptly deliver) to Sterling Karamar all rents and other revenues from the Properties now held or hereafter received by Kimel or any of the Summit Glen Companies, their agents or employees.
5. Prior to the end of business on September ¹⁷~~19~~, 2008, Kimel shall deliver to Minden Gross LLP, certificates of insurance addressed to Morris Goldfinger confirming that Goldfinger is named as a mortgagee under each of the insurance policies for the Properties and that any loss thereunder shall be payable to Goldfinger as his interests may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada, all in accordance with the provisions of the mortgages of the Properties granted by the Summit Glen Companies in favour of Goldfinger.

**MINDEN
GROSS** LLP

6. Not later than September 5, 2008, Kimel will deliver to Minden Gross LLP: (i) a list identifying all of the mortgages currently outstanding against the Properties and setting out for each such mortgage the mortgage/loan number and the contact name and address of each mortgagee; and (ii) written authorizations from each of the Summit Glen Companies authorizing Minden Gross LLP to request, on behalf of the mortgagor, mortgage statements for information purposes from each of the mortgagees.
7. Not later than September 15, 2008, Kimel will deliver to Goldfinger all financial information ("**Financial Information**") as set out in Section 3(a) of the Memorandum of Agreement (as amended), to the extent within Kimel's possession or control. Kimel shall use his diligent best efforts to obtain and deliver to Goldfinger all remaining Financial Information by October 15, 2008.
8. No salary, management fee or other remuneration or payment for services shall be paid directly or indirectly to Kimel or any other member of the Kimel Group (or to any other person not at arm's length with any of them) from the rents and other revenues of the Properties, including without limitation the Properties at 41 and 67 Valleyview Road, Kitchener (the "Valleyview Properties"). All rents and other revenues collected from the Valleyview Properties will be deposited into the Bank Account for those Properties and will be disbursed only for payment of mortgage instalments, taxes and other necessary operating expenses of the Properties. For greater certainty and without limiting any of the foregoing, the provisions of Clause 3 above will apply to all Bank Accounts maintained by Kimel and/or Summit Glen Trayvan Holdings Inc. for the Valleyview Properties.
9. Kimel and each of the Summit Glen Companies agree to cooperate fully with Sterling Karamar so as to fully implement the intent of this letter. Without limiting the foregoing, Kimel and the Summit Glen Companies shall make available to Sterling Karamar at all reasonable times all tenant files, books and records, including without limitation computer records, relating to the management and operation of the Properties and shall permit Sterling Karamar to make copies thereof.
10. The Summit Glen Companies shall be jointly and severally responsible for Sterling Karamar's reasonable fees and disbursements relating to the management of the Properties.
11. Notwithstanding anything contained in this letter agreement, each of Goldfinger and Kimel reserves all of his respective rights to take such steps as he deems advisable, including without limitation, the commencement of any legal actions and the enforcement of any and all rights and remedies respectively available to each of the parties under the Memorandum of Agreement and the related security documents. Without limiting the foregoing: (i) nothing contained in this letter, nor any action or forbearance by Goldfinger pursuant to the provisions hereof shall be construed as a release or give rise to any defence on the part of any



**MINDEN
GROSS LLP**

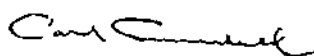
individual or corporation comprising the Kimel Group or the Summit Glen Companies in respect of any liability or obligation to Goldfinger (whether as primary obligors, or as guarantors or indemnitors) under the Memorandum of Agreement or any related security documents, in equity or at law; and (ii) nothing contained in this letter, nor any action or forbearance by Kimel pursuant to the provisions hereof shall be construed as a release or give rise to any defence on the part of Goldfinger in respect of any liability or obligation to Kimel under the Memorandum of Agreement or any related security documents, in equity or at law. None of the rights or obligations of the parties under the Memorandum of Agreement and the related security documents shall be affected by the making of this letter agreement and each of the parties acknowledges that each and all of such obligations shall continue in full force and effect notwithstanding anything herein contained.

12. Unless the context or subject otherwise require, all capitalized words and expressions not otherwise defined herein shall have the same meanings as ascribed to them in the Memorandum of Agreement.

Yours truly,

MINDEN GROSS LLP

Per:



Carl Schwebel

RMR/mc

c.c. Dr. Morris Goldfinger

Accepted and agreed this 28th day of August, 2008.

Witness



Jack Lechster Kimel

SUMMIT GLEN TRAYVAN
HOLDINGS INC.

Authorized Signing Officer

**MINDEN
GROSS** LLP

SUMMIT GLEN WATERLOO 2000
DEVELOPMENTS INC.

per:

Authorized Signing Officer

SUMMIT GLEN BRANTFORD
HOLDINGS INC.

per:

Authorized Signing Officer

SUMMIT GLEN FAIRWAY
HOLDINGS INC.

per:

Authorized Signing Officer

RALEIGH STREET INVESTMENTS INC.

per:

Authorized Signing Officer

SUMMIT GLEN BRIDGE STREET
INC.

per:

Authorized Signing Officer



Sterling Karamar Property Management acknowledges receipt of a copy of this letter and agrees to cooperate fully with Kimel and the Summit Glen Companies so as to fully implement the intent of this letter.

Dated this ____ day of August, 2008.

STERLING KARAMAR PROPERTY MANAGEMENT
Per:

Jack Beaton, Vice-President, Residential Operations



**Schedule 1
Properties**

41 and 67 Valleyview Road, Kitchener
105 University Avenue East, Waterloo
176 Henry Street, Brantford
50 Queenston Drive, Kitchener
5-33 Raleigh Street, Brantford
164 Jansen Road, Kitchener

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long horizontal stroke.



Schedule 2
Form of Notice

[This form of notice should be modified as appropriate to reflect the municipal address and owner/landlord of each Property. Please provide at least six signed original copies of each Notice. You agree to provide Sterling Karamar with additional signed originals if requested by tenants.]

NOTICE TO TENANTS

TO: The Tenants of 5, 9, 13, 17, 21, 25, 29 and 33 Raleigh Street, Brantford, Ontario
(the "Building")

RE: Appointment of Sterling Karamar Property Management

PLEASE TAKE NOTICE that Raleigh Street Investments Inc. (the "Landlord") has appointed Sterling Karamar Property Management ("Sterling Karamar") to act as property manager of the Building.

All rental payments and other amounts coming due from and after September 1, 2008 should continue to be made payable to the Landlord and should be forwarded to Sterling Karamar at the Summit Glen property management office, Suite 6, 105 University Avenue East, Waterloo, Ontario.

And for so doing this notice shall be your good and sufficient authority.

Please note that you may continue to deliver rent cheques to the Building Superintendent. The Building Superintendent will continue to be available to deal with any day to day matters that arise concerning your apartment unit and the common areas.

DATED at Toronto, this 28th day of August, 2008.

RALEIGH STREET INVESTMENTS INC..

Per _____
Name: Jack Lecheier-Kimel, President

I have authority to bind the corporation

Appendix 2

Appendix 2

**Property: 41 and 67 Valleyview Road, Kitchener,
PIN: 23397-0001 to 23397-0118 (LT) and 23418-0139 (LT) to 23418-0276 (LT)
Registered Owner: Summit Glen Trayvan Holdings Inc.**

Chargee	Date of Charge	Registration No.	
The Manufacturers Life Insurance Company	8/17/2001	LT66321	
First National Financial GP Corporation	9/18/2007	WR328842	

**Property: 41 and 67 Valleyview Rd, Kitchener
PIN: 23397-0001 to 23397-0118 (LT)
Registered Owner: Summit Glen Trayvan Holdings Inc.**

Chargee	Date of Charge	Registration No.	
Community Trust Company	06/10/2008	WR387635	

**Property: 105 University Ave East, Waterloo
PIN: 22358-0062 (LT)
Registered Owner: Summit Glen Waterloo Holdings Inc.**

Chargee	Date of Charge	Registration No.	
Community Trust Company Ltd.	4/27/2001	1494185	
Community Trust Company Ltd	4/27/2001	1494187	
Montor Business Corp	12/15/2005	WR181013	

Property: 176 Henry St, Brantford

PIN: 32126-0030 (LT)

Registered Owner: Summit Glen Brantford Holdings Inc.

Chargee	Date of Charge	Registration No.	
First National Financial GP Corporation	6/7/2007	BC115118	
First National Financial GP Corporation	11/25/08	BC153954	

pac *Monte Benin Corp* *11/16/2005* *BC 72654* *pac*

Property: 50 Queenston Drive, Kitchener

PIN: 23363-0001 (LT) to 23363-0024 (LT)

Registered Owner: Summit Glen Fairway Holdings Inc.

Chargee	Date of Charge	Registration No.	
HSBC Bank Canada	4/21/2005	WR118485	
HSBC Bank Canada	4/21/2005	WR118500	

Property: 164 Jansen Road, Kitchener,

PIN: 23392-0001 (LT) to 23392-0018 (LT)

Registered Owner: Summit Glen Fairway Holdings Inc.

Chargee	Date of Charge	Registration No.	
HSBC Bank Canada	4/21/2005	WR118477	
HSBC Bank Canada	4/21/2005	WR118499	

Property: 5-33 Raleigh Street, Brantford

PIN: 32717-0001 (LT) to 32717-0024 (LT)

Registered Owner: Raleigh Street Investments Inc.

Chargee	Date of Charge	Registration No.	
HSBC Bank Canada	4/21/2005	BC58292	
HSBC Bank Canada	4/21/2005	BC58309	

Property: 70 Bridge St. West, Kitchener

PIN: 22299-0594 (LT)

Registered Owner: Summit Glen Bridge Street Inc.

Chargee	Date of Charge	Registration No.	
HSBC Bank Canada	4/21/2005	WR118455	

#1411384

B E T W E E N :

GOLDFINGER
Plaintiff

-and- LECHCIER-KIMEL et al.
Defendants

Court File No. 00007823-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *ONTARIO BUSINESS*
CORPORATIONS ACT, R.S.O. 1990, c. B16, as
amended
Proceeding commenced at TORONTO

ORDER

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