

Court File No.35-1844150
Estate No. 35-1844150

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF COCHRANE
IN THE PROVINCE OF ONTARIO

MOTION RECORD

(VOLUME I of II)

March 5, 2014

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

Greg Azeff (LSUC #45324C)
Asim Iqbal (LSUC #61884B)

Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for Bogdon & Gross Furniture Company
Limited

TO: ATTACHED SERVICE LIST

Service List
as of March 5, 2014

TO: **ZEIFMAN PARTNERS INC.**
201 Bridgeland Avenue
Toronto, Ontario
M6A 1Y7

Allan Rutman

Tel: (416) 861-1487
Fax: : (416) 256-4003
Email: aar@zeifmans.ca

Proposal Trustee

AND TO: **THORNTON GROUT FINNIGAN LLP**
Suite 3200, 100 Wellington Street West
P. O. Box 329,
Toronto-Dominion Centre
Toronto, ON
M5K 1K7

Kyla E.M. Mahar

Tel: (416) 304-0594
Fax: (416) 304-1313
Email: kmahar@tgf.ca

Lawyers for the Proposal Trustee

AND TO: **DEPARTMENT OF JUSTICE CANADA**
Ontario Regional Office
130 King Street West, Suite 3400
Box 36
Toronto, ON
M5X 1K6

Diane Winters

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

AND TO: **MINISTRY OF FINANCE**
Legal Services Branch
33 King Street West, 6th Floor
Oshawa, ON
L1H 8H5

Kevin J. O'Hara

Tel: (905) 433-6934
Fax: (905) 436-4510
Email: kevin.ohara@fin.gov.on.ca

AND TO: **RPG RECEIVABLES PURCHASE GROUP INC.**
221 Lakeshore Road East
Suite 300
Oakville, Ontario
L6H 1H7

Rick Sabourin

Tel: (416) 455-1750
Fax: (905) 842-0242
Email: rick@rpgreceivables.com

Proposed DIP Lender

AND TO: **R&M NELSON HOLDINGS LTD.**
Royal Containers Ltd.
80 Midair Court
Brampton Ontario L6T 5V1

Kim Nelson

Tel: (905) 789-8787
Fax: (905) 789-7518
Email: knelson@royalcontainers.com

AND TO: **SAUGEEN ECONOMIC DEVELOPMENT CORPORATION**
515 Mill Street, P.O. Box 177
Neustadt, Ontario
N0G 2M0

Rose Austin, General Manager

Tel: (519) 799-5750
Fax: (519) 335-7332
Email: rose@sbdc.ca

AND TO: **BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**
281 Durham Street, P.O. Box 208
Kincardine, Ontario
N2Z 2Y7

Barb Fisher, General Manager

Tel: (519) 393-8141
Fax: (519) 393-8346
Email: bfisher@bruce.on.ca

AND TO: **TCE CAPITAL CORPORATION**
505 Consumers Road, Suite 707
Toronto, Ontario
M2J 4V8

Rick Coles
Tammy Kemp

Email: rcoles@tcecapital.com
Email: tkemp@tcecapital.com

AND TO: **CAPITAL UNDERWRITERS INC.**
2020 Winston Park Drive, 301
Oakville, ON
L6M 3Z8

Secured Creditor

AND TO: **WELLS FARGO EQUIPMENT FINANCE COMPANY**
2550 Victoria Park Avenue, Suite 700
Toronto, ON
M2J 5A9

Secured Creditor

AND TO: **2110785 ONTARIO INC.**
75 Ridout Street
Walkerton, ON
N0G 2V0

Secured Creditor

AND TO: **XEROX CANADA LTD.**
33 Bloor Street East
Toronto, ON
M4W 3H1

Stephanie Grace

Secured Creditor

AND TO: **CIT FINANCIAL LTD.**
5035 South Service Road
Burlington, Ontario
L7R 4C8

Secured Creditor

AND TO: **RCAP LEASING INC.**
5575 North Service Road, Suite 300
Burlington, Ontario
L7L 6M1

Secured Creditor

AND TO: **CNH CAPITAL CANADA LTD.**
4475 North Service Road
Burlington, Ontario
L7L 4X7

Secured Creditor

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF COCHRANE
IN THE PROVINCE OF ONTARIO

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF WALKERTON
IN THE PROVINCE OF ONTARIO

NOTICE OF MOTION

Bogdon & Gross Furniture Company Limited (“**B&G**”) will make a Motion to a Judge presiding over the Commercial List on Thursday, March 6, 2014 at 10:00 am, or as soon after that time as the Motion can be heard at the Court House, 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard

- in writing under subrule 37.12.1(1) because it is ;
- in writing as an opposed motion under subrule 37.12.1(4);
- orally.

1. THE MOTION IS FOR:

- (a) An Order abridging the time for service of the Motion Record dated March 4, 2014 including the Affidavit of Adam Hofmann sworn March 5, 2014 (the “**Hofmann Affidavit**”) and dispensing with service on any other person other than those served;

- (b) An Order approving and adopting by reference the E-Service Protocol of the Commercial List (the “**Protocol**”) such that service of court documents by email in accordance with the Protocol shall be deemed valid and effective service in these proceedings;
- (c) An Order approving the DIP Term Sheet between B&G and RPG Receivables Purchase Group Inc. (the “**DIP Lender**”), implementing the interim financing facility (the “**DIP Facility**”), granting the DIP Charge (defined below) and authorizing certain payments from advances under the DIP Facility;
- (d) An Order approving a charge (the “**DIP Charge**”) over all of the assets and undertakings of B&G in priority to all other charges and security interests (except for the Administration Charge, as defined below) in favour of the DIP Lender to secure the DIP Facility and any amounts owing in respect of the Factoring Facility (as defined below);
- (e) An Order authorizing B&G to enter into a factoring facility (the “**Factoring Facility**”) in respect of B&G’s unfactored accounts receivable (the “**Unfactored A/R**”) with the DIP Lender on terms acceptable to TCE Capital Corporation, Saugeen Economic Development Corporation, and Bruce Community Futures Development Corporation (collectively, the “**Major Secured Creditors**”);
- (f) An Order approving a charge (the “**Factoring Charge**”) over all of the assets and undertakings of B&G in priority to all other charges and security interests (except for the Administration Charge (as defined below) and the DIP Charge, in favour of the DIP Lender to secure any amounts owing in respect of the Factoring Facility;
- (g) An Order approving the SISP (as defined below);

- (h) An Order approving the extension of the time by which B&G must file a Proposal with the Official Receiver, to April 28, 2014; and
- (i) An Order granting the Administration Charge (defined below).

2. THE GROUNDS FOR THE MOTION ARE:

- (a) B&G (including its predecessors) has operated as a manufacturer of high-quality furniture in Walkerton, Ontario since 1927;
- (b) B&G has approximately 70 employees and is one of the largest employers in the Walkerton, Ontario region;
- (c) On February 27, 2014, B&G advised its employees that it was unable to pay its accrued payroll in the amount of approximately \$73,000. Consequently, B&G has ceased ordinary course of operations since that date;
- (d) On March 4, 2014, B&G filed a Notice of Intention to Make a Proposal (the “NOI”) under the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) naming Zeifman Partners Inc. as Proposal Trustee (in such capacity, the “**Proposal Trustee**”);
- (e) Pursuant to the BIA, all proceedings against B&G were stayed for 30 days commencing March 4, 2014;

DIP Financing and DIP Charge

- (f) It is critical to B&G’s prospects for survival that it secure new financing on an urgent basis;

- (g) In order to finance B&G's restructuring efforts the DIP Lender has agreed to provide the DIP Facility to B&G in accordance with the DIP Term Sheet (the "**DIP Term Sheet**") attached as Exhibit "FF" to the Hofmann Affidavit;
- (h) A condition of the DIP Facility is that the DIP Lender be granted a charge over all of the property, assets and undertaking of B&G in priority to all creditors (the "**DIP Charge**"), save and except that the DIP Charge shall rank second to the Administration Charge (defined below);
- (i) The DIP Lender has agreed that in the event it enforces the DIP Charge, its shall first pursue its recourses in respect of all classes of collateral other than equipment for a period of ninety (90) days before enforcing the DIP Charge in respect of equipment;
- (j) Part of the DIP Facility will be used to pay B&G's outstanding payroll in order to enable B&G to re-commence ordinary course operations;
- (k) All parties will be served with this Notice of Motion and Motion Record;
- (l) Approval of the DIP Facility will enhance B&G's prospects of making a viable proposal;
- (m) The DIP Charge will not significantly affect creditor recoveries;
- (n) No creditor will be materially prejudiced by the approval of the DIP Facility and the granting of the DIP Charge;
- (o) The Proposal Trustee supports the approval of the DIP Facility and the granting of the DIP Charge;

Factoring Facility

- (p) B&G will require additional funds beyond the DIP Facility to finance its operations through the BIA proceeding;
- (q) B&G seeks authorization to enter into the Factoring Facility in respect of the Unfactored A/R, subject to approval of the Major Secured Creditors and the Proposal Trustee;
- (r) The Factoring Facility will be secured by the Factoring Charge, to a maximum of \$150,000;

The SISP

- (s) B&G intends to immediately commence a sale and investment solicitation process (the “**SISP**”) on the terms set out at Exhibit “DD” to the Hofmann Affidavit;
- (t) Immediate commencement of the SISP will reduce costs, streamline the BIA proceeding and maximize creditor recoveries;

Administration Charge

- (u) B&G seeks a first-ranking charge (the “**Administration Charge**”) over all of its assets and undertakings in priority to all other charges, to secure the professional fees of B&G’s counsel as well as those of the Proposal Trustee and its legal counsel incurred in these proceedings, to a maximum of \$75,000;
- (v) B&G will be unable to proceed with its restructuring efforts unless the Administration Charge is granted;

- (w) No creditor will be materially prejudiced by the granting of the Administration Charge;

Extension of Time for Proposal

- (x) In order to complete the SISP, an extension of the time by which B&G must file a Proposal with the Official Receiver must be granted;
- (y) Due to the urgency of this matter, the Proposal Trustee has not yet reviewed B&G's cash flow projections, a copy of which is attached as Exhibit "EE" to the Hofmann Affidavit (the "**Cash Flow Projections**");
- (z) The DIP Lender has reviewed the Cash Flow Projections;
- (aa) B&G intends to adjourn the motion for approval of the extension until such time as the Proposal Trustee has approved the Cash Flow Projections and has filed its Report with this Honourable Court;
- (bb) B&G requests an Order authorizing it to attend at a 9:30 am chambers attendance with a Judge of the Court for the purpose of obtaining an Order approving the extension once the Proposal Trustee has approved the Cash Flow Projections and filed its Report, on four (4) days' notice to the Service List, provided that no party objects to the extension;
- (cc) Sections 50.6, 50.4(9) and 64.2 of the BIA, as amended;
- (dd) Rules 1.04, 2.03, 3.02, 16.04, and 37 of the *Rules of Civil Procedure*, RRO 1990, Reg. 194, as amended;
- (ee) The inherent and equitable jurisdiction of this Honourable Court;

- (ff) Other grounds as described in the Hofmann Affidavit; and
- (gg) Such further and other grounds as counsel may advise.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the
Motion:

- (a) The Affidavit of Adam Hofmann, sworn March 5, 2014;
- (b) The First Report of the Proposal Trustee, to be filed; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable
Court may permit.

March 5, 2013

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

Greg Azeff (LSUC #45324C)
Asim Iqbal (LSUC #61884B)

Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for Bogdon & Gross Furniture Company
Limited

TO: **THE SERVICE LIST**

IN THE MATTER OF THE PROPOSAL OF BOGDON & GROSS FURNITURE
COMPANY LIMITED OF THE TOWN OF WALKTERON IN THE PROVINCE OF
ONTARIO

Court File No. 35-1844150
Estate No. 35-1844150

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

Greg Azeff (LSUC #45324C)
Asim Iqbal (LSUC #61884B)

Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for Bogdon & Gross Furniture Company Limited

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF WALKERTON
IN THE PROVINCE OF ONTARIO

**AFFIDAVIT OF ADAM HOFMANN
(sworn March 5, 2014)**

I, ADAM HOFMANN, of the Town of Hanover, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the President and a director of Bogdon & Gross Furniture Company Limited (“**B&G**”). As such, I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and verily believe it to be true.
2. All references to currency in this Affidavit are to Canadian Dollars, unless otherwise indicated.

I. RELIEF SOUGHT

3. This Affidavit is sworn in support of a Motion for an Order:

- (a) Abridging the time for service of the Notice of Motion and the Motion Record and dispensing with service on any other person other than those served;
- (b) Approving and adopting by reference the E-Service Protocol of the Commercial List (the “**Protocol**”) such that service of court documents by email in accordance with the Protocol shall be deemed valid and effective service in these proceedings;
- (c) Approving the DIP Commitment Letter (the “**DIP Commitment Letter**”) between B&G and RPG Receivables Purchase Group Inc. (the “**DIP Lender**”), implementing the interim financing facility (the “**DIP Facility**”), granting the DIP Charge (defined below) and authorizing certain payments from advances under the DIP Facility;
- (d) Authorizing B&G to enter into a factoring facility (the “**Factoring Facility**”) in respect of B&G’s accounts receivables that have not previously been factored (the “**Unfactored A/R**”) with the DIP Lender on terms acceptable to TCE Capital Corporation (“**TCE**”), Saugeen Economic Development Corporation (“**SEDC**”) and Bruce Community Futures Development Corporation (“**Bruce**” and collectively with TCE and SEDC, the “**Major Secured Creditors**”).
- (e) authorizing B&G to attend, on four (4) days’ notice to the Service List, at a 9:30 a.m. chambers attendance with a Judge of the Court for the purpose of obtaining an Order approving an extension of the time for filing a proposal and extending the stay of proceedings granted upon the filing on March 4, 2014 of a Notice of Intention to Make a Proposal (the “**NOI**”), for a period of 45 days, to and including April 28, 2014, provided that the Proposal Trustee has approved the

Cash Flow Projections (as defined below) and filed its Report, and provided that no party objects to the extension;

- (f) Approving a Sale and Investment Solicitation Process (the “SISP”); and
- (g) Granting the Administration Charge (defined below);

II. OVERVIEW, BUSINESS OPERATIONS AND CORPORATE STRUCTURE

A. Overview of the Business

4. B&G operates as a manufacturer of high-quality furniture at its production facility located at 75 Ridout Street, Walkerton, Ontario N0G 2V0 (the “**Facility**”). The business (including its predecessors) has been in operation since 1927, and has operated from the Facility since 1938.
5. Prior to February 27, 2014, B&G employed approximately 64 full time employees, and is one of the largest employers in the Walkerton, Ontario region. Of the total number of employees, approximately 50 are hourly, unionized employees (the “**Hourly Employees**”), who are members of the United Steelworkers of America (the “**Union**”). The collective agreement with Union Local 1-500 is effective from July 1, 2012 to June 30, 2016.
6. In addition to the Hourly Employees, B&G also employs administrative, sales and management staff.
7. On February 27, 2014, I advised the employees that B&G was unable to pay its payroll and sent the employees home. The majority of employees have not returned to work since.
8. B&G is under enormous pressure to resolve this situation quickly.

B. Corporate Structure

9. B&G is a corporation incorporated pursuant to the laws of the Province of Ontario. B&G's registered office is located at the Facility. Attached hereto as **Exhibit "A"** is a copy of a Corporation Profile Report in respect of B&G dated March 5, 2014.
10. Dirk Nielsen ("**Nielsen**") is B&G's other director. Nielsen is also the vice-president and secretary. B&G has no other officers or directors.
11. All of B&G's shares are owned by 2110785 Ontario Inc. ("**211**"), a corporation incorporated pursuant to the laws of Ontario. Attached hereto as **Exhibit "B"** is a copy of 211's Corporate Profile Report dated January 20, 2014. Nielsen and I own approximately 25% and 75%, respectively, of 211's shares.

C. Assets

12. B&G's assets include the following:
 - (a) The Facility and the lands upon which the Facility is located (the "**Lands**"). Attached at **Exhibit "C"** is a copy of the Parcel Registry dated January 20, 2014 in respect of the Lands;
 - (b) Manufacturing and production equipment;
 - (c) Raw materials, work-in-progress and inventory; and
 - (d) Accounts receivable.
13. In addition, I expect that B&G will receive a Scientific Research and Experimental Development ("**SRED**") tax credit refund from the Government of Canada in the amount of approximately \$312,000 for the 2013 year. B&G has successfully filed and received SRED credits for the past twelve (12) years.

D. Secured Indebtedness

14. Attached hereto as **Exhibit “D”** is a copy of an Enquiry Response Certificate under the *Personal Property Security Act* (Ontario) (“**PPSA**”) dated February 4, 2014, which indicates that the following secured creditors (collectively, the “**Secured Creditors**”) have made registrations against B&G under the PPSA:
 - (a) TCE;
 - (b) Bruce;
 - (c) SEDC; and
 - (d) 211.
15. In addition to the Secured Creditors, the Enquiry Response Certificate dated February 4, 2014 indicates that the following equipment lessors (collectively, the “**Equipment Lessors**”) have made registrations against B&G under the PPSA:
 - (a) CNH Capital Canada Ltd.;
 - (b) RCAP Leasing;
 - (c) National Leasing Group Inc.;
 - (d) CIT Financial Ltd.;
 - (e) Xerox Canada Ltd. (“**Xerox**”);
 - (f) Capital Underwriters Inc.; and
 - (g) Wells Fargo Equipment Finance Company (“**Wells Fargo**”).
16. The Enquiry Response Certificate dated February 4, 2014 also indicates a registration by the Ontario Minister of Finance in respect of unremitted Employer Health Tax.
17. SEDC and Bruce (together SEDC and Bruce will be referred to as “**SEDC/Bruce**”) jointly provided B&G with financing.

Discharge Letters

18. On January 28, 2014 B&G, through its legal counsel, sent letters to the parties in the table below pursuant to section 56 of the PPSA requesting each party to discharge its registration because B&G is no longer indebted to these parties (collectively, the “**Discharge Letters**”). A summary of the letters and associated registrations is described in the table below:

Company	Registration No.
Capital Underwriters Inc.	1. 20070508 1703 1462 0163 as renewed by registration number 20130402 1447 1462 9368; 2. 20080421 1703 1462 7026
CIT Financial Ltd.	20101108 1056 1616 0202
Wells Fargo	1. 20071114 1446 8077 4058 2. 20080114 1730 8077 9750

19. Attached hereto and marked as **Exhibit “E”** are true copies of the Discharge Letters.
20. B&G received discharge notices (collectively, the “**Discharge Notices**”) from all of the parties that were sent Discharge Letters. Attached hereto as **Exhibit “F”** are copies of the Discharge Notices.

CRA Indebtedness

21. On February 20, 2014, the Canada Revenue Agency (the “**CRA**”) performed an employee source deduction audit on B&G and determined that B&G is indebted to the CRA in the amount of \$400,695.06 in respect of, including penalties and accrued interest. Attached hereto as **Exhibit “G”** is a copy of the Examiner’s Statement of Account dated February 20, 2014 from the CRA’s audit.

22. B&G is also indebted to CRA in the amount of approximately \$73,650.00 in respect of unremitted HST.

TCE Indebtedness

23. Pursuant to a Loan Agreement between TCE, B&G and Adam Hofmann (“**Hofmann**”) dated February 21, 2012 (the “**TCE Loan Agreement**”), TCE provided B&G with the following credit facilities:

- (a) a factoring facility; and
- (b) a demand loan in the principal amount of \$300,000.

Attached hereto as **Exhibit “H”** is a copy of the TCE Loan Agreement.

24. As at the date hereof, B&G is indebted to TCE in the amount of approximately \$580,000. In addition, pursuant to the factoring facility, B&G is obligated to re-purchase uncollected factored accounts receivable at the request of TCE.

25. B&G’s obligations to TCE are secured by the following:

- (a) a General Security Agreement dated February 21, 2012 (the “**TCE GSA**”, a copy of which is attached hereto as **Exhibit “I”**); and
- (b) a collateral charge against the Lands in the amount of \$500,000 (the “**TCE Collateral Charge**”, a copy of which is attached hereto as **Exhibit “J”**).

SEDC/Bruce Indebtedness

26. B&G is indebted to SEDC/Bruce pursuant to the following financing arrangements:

- (a) Loan Agreement between SEDC/Bruce, 211, and B&G dated November 30, 2006 (the “**SEDC/Bruce \$300k Loan Agreement**”);
- (b) Loan Agreement between SEDC/Bruce and B&G dated February 24, 2012 (the “**SEDC/Bruce \$200k Loan Agreement**”); and

(c) Loan Agreement between SEDC/Bruce and 211 and guaranteed by B&G, Hofmann and Nielsen dated July 25, 2012 (the “**SRED Loan Agreement**”).

Attached hereto as **Exhibits “K”, “L” and “M”**, respectively, are copies of the SEDC/Bruce \$300k Loan Agreement, the SEDC Bruce \$200k Loan Agreement and the SRED Loan Agreement.

27. As of the date hereof, SEDC/Bruce are collectively owed approximately \$624,000, including principal and interest.

28. The indebtedness owing by B&G to SEDC/Bruce is secured by a:

(a) a General Security Agreement dated February 27, 2012 (the “**SEDC/Bruce GSA**”, a copy of which is attached hereto as **Exhibit “N”**); and

(b) a collateral charge against the Lands in the amount of \$300,000 (the “**SEDC/Bruce Collateral Charge**”, a copy of which is attached hereto as **Exhibit “O”**).

211 Indebtedness

29. B&G is indebted to 211 in the aggregate amount of \$500,000 pursuant to a Credit Agreement dated September 1, 2008 (the “**211 Credit Agreement**”) which is a \$500,000 revolving credit facility, pursuant to which the following promissory notes were issued by B&G in favour of 211 (collectively with the 211 Credit Agreement, the “**211 Loan Documents**”):

(a) Loan Agreement dated September 3, 2008, which is an interest-only (at 7% per annum) loan in the amount of \$100,000;

(b) Loan Agreement dated September 3, 2008, which is an interest-only (at 7% per annum) loan in the amount of \$50,000;

- (c) Loan Agreement dated March 1, 2011, which is an interest-only (at the prime rate plus 2%) loan in the amount of \$90,000;
 - (d) Loan Agreement dated March 1, 2011, which is an interest-only (at the prime rate plus 2%) loan in the amount of \$50,000;
 - (e) Loan Agreement dated December 31, 2013, which is an interest-only (at 7% per annum) loan in the amount of \$110,000; and
 - (f) Loan Agreement dated December 31, 2013, which is an interest-only (at 7% per annum) loan in the amount of \$100,000.
30. Copies of the 211 Loan Documents are attached hereto as **Exhibit "P"**.
31. The indebtedness owing by B&G to 211 is secured by a:
- (a) A General Security Agreement dated September 1, 2008 (the "**211 GSA**", a copy of which is attached hereto as **Exhibit "Q"**); and
 - (b) A collateral charge against the Lands in the amount of \$500,000 (the "**211 Collateral Charge**", a copy of which is attached hereto as **Exhibit "R"**).

Inter-creditor Agreements

32. Pursuant to the Amended and Restated Priorities Agreement between and among SEDC/Bruce, TCE and B&G dated August 3, 2012 (the "**SEDC/Bruce/TCE Priorities Agreement**", a copy of which is attached hereto as **Exhibit "S"**), the parties agreed as follows:
- (a) SEDC/Bruce has priority over TCE over all personal property except inventory, to a maximum of \$200,000;
 - (b) SEDC/Bruce has priority over TCE over the Lands, to a maximum of \$300,000;

(c) SEDC/Bruce has priority over TCE over B&G's SRED and Ontario Innovation Tax credits for the period between January 1, 2012 to December 31, 2013; and

(d) In all other instances, TCE has priority.

33. Pursuant to a Postponement, Assignment & Subordination Agreement between SEDC/Bruce and 211 dated February 27, 2012, a copy of which is attached hereto as **Exhibit "T"**, 211 subordinated in favour of SEDC/Bruce all indebtedness owing by B&G to 211.

Ministry of Finance

34. B&G is indebted to the Ministry of Finance in the amount of approximately \$46,841.87 in respect of unremitted employer health tax pursuant to the *Employer Health Tax Act*, RSO 1990, c E.11 (the "**EHT**").
35. On July 9, 2013, the Ministry of Finance registered a financing statement under the PPSA against B&G in respect of outstanding EHT.
36. On July 25, 2013, the Ministry of Finance also registered a charge (the "**EHT Charge**") against the Lands in respect of its EHT lien. Attached hereto as **Exhibit "U"** is a copy of the EHT Charge.

Town of Brockton

37. The Town of Brockton is owed approximately \$127,261.72 by B&G in respect municipal taxes. Attached hereto as **Exhibit "V"** is a copy of a statement from the Town of Brockton.

E. Unsecured Creditors

RM Nelson

38. Pursuant to a Promissory Note dated January 6, 2009 granted by B&G in favour of R & M Nelson Holdings Ltd. (“**RM Nelson**”), B&G is indebted to RM Nelson approximately in the amount of \$241,749 (the “**RM Nelson Note**”). A copy of the RM Nelson Note is attached hereto as **Exhibit “W”**.
39. B&G executed a General Security Agreement in favour of RM Nelson on January 6, 2009. However, according to the Certified PPSA search of B&G dated February 4, 2014 (attached as **Exhibit “D”** hereto) and verbal PPSA search results dated February 27, 2014 (attached as **Exhibit “X”** hereto), RM Nelson’s registration expired and has not been renewed.

WSIB

40. B&G is indebted to the Workplace Safety and Insurance Board (the “**WSIB**”) in the amount of approximately \$112,000.

Trade creditors and suppliers

41. In addition to WSIB and RM Nelson, B&G owes an aggregate amount of approximately \$1,572,900 to trade creditors and suppliers.
42. A table summarizing B&G’s indebtedness described in this section is produced below.

Lender	Amount Owing
Secured Creditors	
CRA re Source Deductions	\$400,695.06
CRA re HST	\$73,650.00
TCE	\$580,000.00

SEDC/Bruce	\$624,000.00
211	\$500,000.00
Ministry of Finance	\$46,841.87
Town of Brockton	\$127,261.72
Unsecured Creditors	
R.M. Nelson	\$241,749.00
WSIB	\$112,000.00
Trade creditors and suppliers	\$1,572,900.00
Total Secured and Unsecured Debt	<u>\$4,279,097.65</u>

III. CURRENT STATUS OF THE COMPANY

A. Factors Leading to Insolvency

43. A combination of factors has led to B&G's current liquidity crisis. B&G has not recovered from the effects of the 2008 economic downturn. B&G sustained decreasing net income from 2009 through until 2011, and net losses in 2011 and 2012. Attached hereto as **Exhibit "Y"** are copies of B&G's financial statements for 2010 and 2012, which include financial comparisons from previous years (i.e., 2009 and 2010).
44. B&G does not have traditional financing and relies upon *ad hoc* financing arrangements with SEDC/Bruce (as described in paragraphs 26 and 27, above) and the factoring facility provide by TCE. B&G's current financing structure has eroded its margins and left it with insufficient working capital.

B. Liquidity crisis and Filing of NOI

Termination of TCE facilities and lack of working capital to pay employees

45. On or about January 14, 2014, TCE terminated B&G's factoring facility. TCE has not issued a Notice of Intention to Enforce Security pursuant to section 244 of the BIA.
46. On or about February 13, 2014, TCE agreed to provide B&G with \$100,000 to meet its payroll obligations, purchase packaging inventory and satisfy other critical payables (the "**Bulge Facility**"). Attached hereto as **Exhibit "Z"** is a copy of a letter from TCE to B&G dated February 13, 2014 outlining the requirements of the Bulge Facility.
47. While TCE funded the February 13, 2014 payroll with the Bulge Facility, B&G was unable to secure funding for the subsequent payroll period. Accordingly, on February 27, 2014, B&G's employees were advised that B&G could not satisfy its payroll obligations and were sent home. B&G's employees remain unpaid for wages owing for the pay period between February 2, 2014 and February 15, 2014.
48. B&G does not have any form of pension plan, including for its unionized employees.

Springwater Mills Ltd.

49. On or about January 15, 2014, Springwater Mills Ltd. issued a Statement of Claim naming B&G as a defendant and seeking damages in the amount of \$35,659.25 in respect of unpaid invoices. Attached hereto as **Exhibit "AA"** is a copy of the Statement of Claim.

Xerox

50. On January 16, 2014, Xerox sent B&G a demand letter demanding \$10,060.77 in respect of equipment lease and service arrears. On the same day, Xerox issued a Notice of

Intention to Enforce Security pursuant to section 244 of the BIA. Attached hereto as **Exhibit “BB”** is a copy of Xerox’s demand letter and notice.

Notice of Intention to Make a Proposal

51. As a result of the issues described above, on March 4, 2014, B&G filed the NOI with the Official Receiver to stay all proceedings with a view to implementing the restructuring plan described below. The NOI names Zeifman Partners Inc. as Proposal Trustee (in such capacity, the “**Proposal Trustee**”). Attached hereto as **Exhibit “CC”** is a copy of the NOI.

IV. OVERVIEW OF RESTRUCTURING PLAN AND SISP

52. The paramount goal of B&G is to preserve, maximize and realize value for the benefit of its creditors and other stakeholders. B&G is of the view that the restructuring of B&G to be undertaken under the BIA may involve a refinancing, recapitalization or sale of B&G’s business. B&G will explore all options to maximize value for stakeholder by implementing of the SISP described below.
53. The purpose of the SISP is to identify one or more financiers, purchasers and investors in B&G’s business with a projected completion date of a transaction or transactions by mid-April, 2014.
54. The Proposal Trustee and the DIP Lender have advised that they support the SISP being proposed by B&G.
55. Interested parties will be invited to provide B&G with an Expression of Interest Letter (an “**EOI**”). A party who submits an EOI and executes a confidentiality agreement will be invited to conduct due diligence, including reviewing information in a virtual data

room and touring the Facility. The deadline to for interested parties to submit offers after completing their due diligence is April 14, 2014. B&G anticipates that it will return to this Court for approval of a transaction on or about April 21, 2014. A copy of the SISP is attached hereto as **Exhibit “DD”**.

V. CASH FLOW PROJECTIONS [NTD: SHALLON, FIX HEADINGS AND MAKE SURE NUMBERS ARE IN ORDER THROUGHOUT AFFIDAVIT].

56. B&G has prepared a cash flow projection (the “**Cash Flow Projection**”) for the purposes providing it to the DIP Lender (defined below) to obtain the DIP Facility (defined below). Attached hereto as **Exhibit “EE”** is a copy of the Cash Flow Projection. Based on my knowledge of the financial position of B&G and the assumptions set out in the Cash Flow Projection, I believe the Cash Flow Projection is fair and reasonable.
57. The Cash Flow Projection has been prepared for and reviewed by the DIP Lender. The Cash Flow Projection is currently being reviewed by the Proposal Trustee, and I anticipate that the Proposal Trustee will provide its conclusion on the reasonableness of the Cash Flow Projection and the hypothetical assumptions contained therein in accordance with the Proposal Trustee’s duties under the BIA.

VI. DIP FINANCING

58. Pursuant to a DIP Term Sheet dated March 4, 2014 (the “**DIP Term Sheet**”), the DIP Lender has agreed to provide debtor-in-possession financing (“**DIP Financing**”) to B&G to the maximum amount of \$300,000, subject to certain conditions including the granting of an Order in this proceeding granting the DIP Lender a charge (the “**DIP Charge**”) over all of the property, assets and undertaking of B&G, including the Lands, in priority

to all encumbrances except the Administration Charge (as defined below). A copy of the DIP Term Sheet is attached hereto as **Exhibit "FF"**.

59. I believe that the DIP Facility requested by B&G should be approved because:

- (a) The DIP Facility is critical to B&G's efforts to save the jobs of its 70 employees;
- (b) The DIP Facility is necessary to fund B&G's outstanding payroll obligations so that its employees will return to work. B&G cannot process existing orders, finish work-in-progress or even ship finished goods to generate new accounts receivable without its employees returning to work;
- (c) The Proposal Trustee, TCE and 211 support the DIP Facility and the granting of the DIP Charge. As of the time at which I am swearing this Affidavit, I do not yet know the position of SEDC or Bruce in this regard;
- (d) The DIP Facility would enhance the prospects of B&G making a viable proposal to its creditors by providing sufficient working capital to implement a restructuring plan;
- (e) Neither the DIP Facility nor the DIP Charge will significantly affect creditor recoveries; and
- (f) No creditor will be materially prejudiced by the approval of the DIP Facility or the granting of the DIP Charge.

VII. FACTORING FACILITY

60. B&G will require additional funds beyond the DIP Facility to finance its operations throughout the BIA proceeding.

61. B&G intends to enter into the Factoring Facility in respect of Unfactored A/R with the DIP Lender on terms acceptable to the Major Secured Creditors.
62. The Major Secured Creditors have acknowledged that the Factoring Facility is necessary in addition to the DIP Facility in order to fund B&G's operations. The terms of the Factoring Facility are being negotiated, and B&G anticipates that these negotiations will conclude in the near term.
63. However, this Motion was brought on an urgent basis in order to retain employees and fund operations, and there was insufficient time to complete negotiations for the Factoring Facility. Accordingly, B&G is seeking approval from this Honourable Court to enter into a Factoring Facility with the DIP Lender in respect of the Unfactored A/R, subject to terms agreeable to the Major Secured Creditors and approved by the Proposal Trustee.
64. The Order sought herein provides that the Factoring Facility will be secured by a third-ranking charge (the "**Factoring Charge**") over all of B&G's assets, ranking only behind the Administration Charge (defined below) and the DIP Charge, to a maximum of \$150,000.
65. The Factoring Charge will not take effect unless the Major Secured Creditors and the Proposal Trustee approve the Factoring Facility.
66. The purpose of the relief sought herein is to minimize costs of a subsequent court appearance strictly for the purpose of approving the Factoring Facility. Avoiding these additional professional fees will be a benefit to all stakeholders.

VIII. ADMINISTRATION CHARGE

67. B&G is also requesting that the Court grant a charge in favour of B&G's counsel and in favour of the Proposal Trustee and its counsel to secure the payment of fees and expenses incurred in connection with this proceeding (the "**Administration Charge**") in the amount of \$75,000.
68. As noted above with respect to the DIP Facility, I do not believe that any creditor will be materially prejudiced by the granting of the Administration Charge, since B&G's restructuring plan cannot be implemented without the assistance of B&G's legal counsel, the Proposal Trustee and its legal counsel.

IX. EXTENSION OF STAY

69. In order to allow B&G sufficient time to implement the SISP and to complete its reorganization successfully, B&G is seeking an extension of the time for the filing of the proposal to and including April 28, 2014, for a total of 45 days.
70. As described above, the Proposal Trustee has not reviewed the Cash Flow Projections or prepared a Report before the return of this Motion.
71. Accordingly, B&G is seeking an Order authorizing it to attend at a 9:30 a.m. chambers attendance with a Judge of the Court for the purpose of obtaining an Order approving the extension once the Proposal Trustee has approved the Cash Flow Projections (as may be amended) and filed its Report, on four (4) days' notice to the Service List, provided that no party objects to the extension.
72. I swear this affidavit in support of B&G's motion for the relief requested, and for no other or improper purpose.

SWORN before me at the Town of Walkerton,
in the Province of Ontario, this 5th day of March,
2014.


PCO406
Commissioner for Taking Affidavits


ADAM HOFMANN

Scott Stewart Thibaudeau, a Commissioner, etc.,
Province of Ontario, for Mid Ontario Paralegal
Service, and for work done within
your permitted scope of practice
as a licensed paralegal in Ontario.
Expires October 25, 2014.

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF WALKTERON
IN THE PROVINCE OF ONTARIO

Court File No.: 35-1844150

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

Proceedings commenced at Toronto

AFFIDAVIT OF ADAM HOFMANN

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

Greg Azeff (LSUC #45324C)
Asim Iqbal (LSUC #61884B)

Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for Bogdon & Gross Furniture Company Limited

This is Exhibit "A" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1720363	BOGDON & GROSS FURNITURE COMPANY LIMITED	2007/01/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
75 RIDOUT STREET		NOT APPLICABLE
		Amalgamation Ind.
		A
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
75 RIDOUT STREET		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum	
	Maximum	
	00001	00010

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
Page: 2

CORPORATION PROFILE REPORT

Ontario Corp Number

1720363

Corporation Name

BOGDON & GROSS FURNITURE COMPANY LIMITED

Corporate Name History

BOGDON & GROSS FURNITURE COMPANY LIMITED

Effective Date

2007/01/01

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations**Corporation Name**

BOGDON & GROSS FURNITURE COMPANY LIMITED

853172 ONTARIO LIMITED

Corporate Number

54265

853172

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
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CORPORATION PROFILE REPORT

Ontario Corp Number

1720363

Corporation Name

BOGDON & GROSS FURNITURE COMPANY LIMITED

**Administrator:
Name (Individual / Corporation)**

ADAM
HOFMANN

Address

75 RIDOUT STREET

WALKERTON
ONTARIO
CANADA NOG 2V0

Date Began
2007/01/01

First Director
NOT APPLICABLE

Designation
DIRECTOR

Officer Type

Resident Canadian
Y

**Administrator:
Name (Individual / Corporation)**

ADAM
HOFMANN

Address

75 RIDOUT STREET

WALKERTON
ONTARIO
CANADA NOG 2V0

Date Began
2007/01/01

First Director
NOT APPLICABLE

Designation
OFFICER

Officer Type
PRESIDENT

Resident Canadian
Y

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

1720363

Corporation Name

BOGDON & GROSS FURNITURE COMPANY LIMITED

**Administrator:
Name (Individual / Corporation)**

DIRK
NIELSEN

Address

75 RIDOUT STREET

WALKERTON
ONTARIO
CANADA NOG 2V0

Date Began

2007/02/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

**Administrator:
Name (Individual / Corporation)**

DIRK
NIELSEN

Address

75 RIDOUT STREET

WALKERTON
ONTARIO
CANADA NOG 2V0

Date Began

2007/02/02

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

1720363

Corporation Name

BOGDON & GROSS FURNITURE COMPANY LIMITED

**Administrator:
Name (Individual / Corporation)**

DIRK
NIELSEN

Address

75 RIDOUT STREET

WALKERTON
ONTARIO
CANADA N0G 2V0

Date Began

2007/02/02

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Request ID: 016221844
Transaction ID: 53563304
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:14
Page: 6

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1720363

BOGDON & GROSS FURNITURE COMPANY LIMITED

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2011/07/19 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

Request ID: 016221843
Transaction ID: 53563303
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/03/05
Time Report Produced: 12:02:13
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number

1720363

Corporation Name

BOGDON & GROSS FURNITURE COMPANY LIMITED

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)	
CIA	CHANGE NOTICE PAF: HOFMANN, ADAM	1	2011/07/19	(ELECTRONIC FILING)
CIA	ANNUAL RETURN 2009 PAF: HOFMANN, ADAM	1C	2010/08/12	
CIA	INITIAL RETURN PAF: HOFMANN, ADAM	1	2007/02/06	(ELECTRONIC FILING)
BCA	ARTICLES OF AMALGAMATION	4	2007/01/01	

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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This is Exhibit "B" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2110785	2110785 ONTARIO INC.	2006/08/16
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
75 RIDOUT STREET		NOT APPLICABLE
		Amalgamation Ind.
		NOT APPLICABLE
		New Amal. Number
		NOT APPLICABLE
		Notice Date
		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
75 RIDOUT STREET		NOT APPLICABLE
		Continuation Date
		NOT APPLICABLE
		Transferred Out Date
		NOT APPLICABLE
		Cancel/Inactive Date
		NOT APPLICABLE
		EP Licence Eff.Date
		NOT APPLICABLE
		EP Licence Term.Date
		NOT APPLICABLE
		Date Commenced in Ontario
		NOT APPLICABLE
		Date Ceased in Ontario
		NOT APPLICABLE
		Number of Directors
		Minimum Maximum
		00001 00010
Activity Classification		Date Commenced in Ontario
NOT AVAILABLE		NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2110785	2110785 ONTARIO INC.

Corporate Name History	Effective Date
2110785 ONTARIO INC.	2006/08/16

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ADAM HOFMANN	75 RIDOUT STREET WALKERTON ONTARIO CANADA N0G 2V0

Date Began	First Director	Resident Canadian
2006/08/16	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2110785	2110785 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
ADAM HOFMANN	75 RIDOUT STREET WALKERTON ONTARIO CANADA N0G 2V0

Date Began	First Director	Resident Canadian
2006/09/28	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Administrator: Name (Individual / Corporation)	Address
DIRK NIELSEN	75 RIDOUT STREET WALKERTON ONTARIO CANADA N0G 2V0

Date Began	First Director	Resident Canadian
2007/02/02	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2110785	2110785 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
DIRK NIELSEN	75 RIDOUT STREET WALKERTON ONTARIO CANADA N0G 2V0

Date Began	First Director	
2007/02/02	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	SECRETARY	Y

Administrator: Name (Individual / Corporation)	Address
DIRK NIELSEN	75 RIDOUT STREET WALKERTON ONTARIO CANADA N0G 2V0

Date Began	First Director	
2007/02/02	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	VICE-PRESIDENT	Y

Request ID: 016077913
Transaction ID: 53146054
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/20
Time Report Produced: 09:30:37
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2110785

Corporation Name

2110785 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2007/02/06 (ELECTRONIC FILING)

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ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2110785

Corporation Name

2110785 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: HOFMANN, ADAM	1	2007/02/06 (ELECTRONIC FILING)
CIA	INITIAL RETURN PAF: HOFMANN, ADAM	1	2006/12/12 (ELECTRONIC FILING)
BCA	ARTICLES OF INCORPORATION	1	2006/08/16 (ELECTRONIC FILING)

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This is Exhibit "C" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)



Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

75 Ridout St, Walkerton

PAGE 1 OF 2
PREPARED FOR DDMILLON
ON 2014/01/24 AT 11:12:31

LAND
REGISTRY
OFFICE #3

33198-0287 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 2-12 PL 140; DORLAND ST, SHIELDS ST PL 140 CLOSED BY WK4779; LT 2-6, 12-13, 7-8 BLK B PL 106; PT LT 1 PL 140 AS IN R54132 & R28616; PT LT 21-22 CON 2 SDR BRANT AS IN R55976, WK13381; PT LT 9-11 BLK B PL 106; PT ST. JOSEPH ST PL 106 CLOSED BY WK4779 AS IN WK14045 EXCEPT PT 2, 384068, EXCEPT LT 7-8 BLK B PL 106 & EXCEPT PT 1 388588; S/T R233229; MUNICIPALITY OF BROCKTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

BOGDON & GROSS FURNITURE COMPANY LIMITED

RECENTLY:

DIVISION FROM 33198-0285

CAPACITY SHARE

ROWN

FIN CREATION DATE:
2011/06/30

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2011/06/30 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**		SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *				
**		AND ESCHEATS OR FORFEITURE TO THE CROWN.				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.				
**		ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
**DATE OF CONVERSION TO LAND TITLES: 2006/07/24 **						
WK13381	1944/12/05	TRANSFER	\$1		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
WK14045	1948/01/13	TRANSFER	\$1		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R28616	1962/09/19	TRANSFER	\$350		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R28617	1962/09/19	TRANSFER	\$150		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R54132	1967/02/07	TRANSFER	\$8,000		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R54212	1967/02/15	TRANSFER	\$5,000		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R54809	1967/04/05	TRANSFER	\$7,750		BOGDON & GROSS FURNITURE COMPANY LIMITED	C
R55876	1967/06/05	TRANSFER	\$1		BOGDON & GROSS FURNITURE COMPANY LIMITED	C

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



Ontario ServiceOntario

LAND REGISTRY OFFICE #3

33198-0287 (LT)

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 2

PREPARED FOR DDH:llon ON 2014/01/24 AT 11:12:31

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
384068	1987/03/10	PLAN REFERENCE				C
BR122	2006/11/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** BOGDON & GROSS FURNITURE COMPANY LIMITED	BOGDON, BARBARA SAUBEN ECONOMIC DEVELOPMENT CORPORATION BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION	C
BR246	2006/12/01	CHARGE	\$300,000	BOGDON & GROSS FURNITURE COMPANY LIMITED	SAUBEN ECONOMIC DEVELOPMENT CORPORATION BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION	C
BR257	2006/12/01	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BOGDON, BARBARA	SAUBEN ECONOMIC DEVELOPMENT CORPORATION BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION	C
BR21326	2008/10/29	CHARGE	\$500,000	BOGDON & GROSS FURNITURE COMPANY LIMITED	2110785 ONTARIO INC.	C
BR61641	2012/01/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** BOGDON, BARBARA		C
BR62571	2012/02/24	CHARGE	\$500,000	BOGDON & GROSS FURNITURE COMPANY LIMITED	TCE CAPITAL CORPORATION	C
BR62572	2012/02/24	POSTPONEMENT		2110785 ONTARIO INC.	TCE CAPITAL CORPORATION	C
BR78161	2013/07/25	LIEN	\$23,395	HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE		C

REMARKS: TAX LIEN

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

This is Exhibit "D" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONDER
CERTIFICATE

REPORT : P58R060
PAGE : 1
(2785)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.

FILE CURRENCY : 03FEB 2014

ENQUIRY NUMBER 20140204092207.66 CONTAINS 41 PAGE(S), 17 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CSRS ORDER# 4717666

SUITE 2605, 180 DUNDAS STREET WEST
TORONTO ON MSG 1Z8



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : P58R060
PAGE : 2
(2786)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03 FEB 2014

FORM 10 FINANCING STATEMENT / TAUX FOR LIEN

00 FILE NUMBER
692714381

01 CREDITORS TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 002 20131210 1034 1529 7641 P PPSA 5

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME WALKERTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LTD. ONTARIO CORPORATION NO.
04 ADDRESS 75 RIDOUT STREET ON AUG 200

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
06 DATE OF BIRTH BUSINESS NAME
07 ADDRESS CMH CAPITAL CANADA LTD. ONTARIO CORPORATION NO.
08 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
09 ADDRESS 4475 NORTH SERVICE ROAD BURLINGTON ON L7L 4X7

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X 75N6W2G15

11 YEAR MAKE MODEL V.I.P.
12 2012 CASEIH 95 ZCJPS0560

13 GENERAL 2013 HORST PALLET PALLET FORKS , SERIAL NSN
14 COLLATERAL 2013 CASEIH L735 LOADER, SERIAL YCWL5584
15 DESCRIPTION 2013 HORST 7' MATERIALBUCKET , SERIAL NSN

16 REGISTERING D+H LIMITED PARTNERSHIP
17 AGENT SUITE 200, 4126 NORLAND AVENUE BORNABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉS PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRÉTÉS MOBILIÈRES
(en) (fr) 04-2013



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 592404391

01 CAUTION BASE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD
FILING NO. OF PAGES SCHEDULE 20131210 1034 1529 7641 UNDER

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
05 NAME BUSINESS NAME ADDRESS

06 SECURED PARTY DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
07 LIEN CLAIMANT BUSINESS NAME ADDRESS

08 COLLATERAL CLASSIFICATION AMOUNT DATE OF MATURITY OR NO. FIXED
09 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED Maturity Date

10 YEAR MAKE MODEL V.I.N.

11 MOTOR 2013 HLA 3800 BLADE, SERIAL ONCORDER
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM TO FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER
01 001 20140116 1935 1531 3061

RECORDS REFERENCED FILE NUMBER 692484381

PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED CORRECT PERIOD
01 001 X A AMENDMENT YEARS

FIRST GIVEN NAME INITIAL SURNAME
BOGDON & GROSS FURNITURE COMPANY LTD.

REFERENCE DEPTOR/ TRANSFEROR BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LTD.

OTHER CHANGES REASON FOR UPDATE SERIAL NUMBER FOR HLA 3800 BLADE SERIAL # FROM ON ORDER TO 147047

DEBTOR/ TRANSFEREE DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME ADDRESS

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNER ADDRESS
ADDRESS

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.
2013 HLA 3800 BLADE SERIAL # 147047

REGISTERING AGENT OF REGISTERED PARTY/ LIEN CLAIMANT ADDRESS
CANADIAN SECURITIES REGISTRATION SYSTEMS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED ...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 688471351

CAUTION: PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD

20130709 1547 1031 1356 P PPSA 05

00

01

02 DEBTOR : BOGDON & GROSS FURNITURE COMPANY LIMITED WALKERTON, ONTARIO CORPORATION NO. 2V0

03 NAME : BOGDON & GROSS FURNITURE COMPANY LIMITED

04 ADDRESS : 75 REDOUT ST WALKERTON, ONTARIO CORPORATION NO. 2V0

05 DEBTOR : BOGDON & GROSS FURNITURE COMPANY LIMITED WALKERTON, ONTARIO CORPORATION NO. 2V0

06 NAME : BOGDON & GROSS FURNITURE COMPANY LIMITED

07 ADDRESS : 75 REDOUT ST WALKERTON, ONTARIO CORPORATION NO. 2V0

08 SECURED PARTY / LIEN CLAIMANT : HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE LONDON ON N5A 6G8

09 ADDRESS : 400-130 DUFFERIN AVENUE, LONDON ON N5A 6G8

10 COLLATERAL CLASSIFICATION : CONSUMER

11 MOTOR VEHICLE : 1980 HOME

12 YEAR MAKE : 1980 HOME

13 GENERAL : COLLATERAL DESCRIPTION

14 COLLATERAL DESCRIPTION : COLLATERAL DESCRIPTION

15 COLLATERAL DESCRIPTION : COLLATERAL DESCRIPTION

16 REGISTERING AGENT : COLLECTION MANAGER, MINISTRY OF FINANCE (EHT) BN#100569102

17 ADDRESS : 400 130 DUFFERIN AVENUE, (329/746) LONDON ON N6A 6G8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED . . . 6



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 687128409

01 CAUTION FILING : 01 TOTAL PAGES : 003 MOTOR VEHICLE SCHEDULE : 20150523 1036 8077 6042 REGISTERED UNDER PERIOD : 3

02 DEBTOR NAME : BOGDON & GROSS FURNITURE COMPANY LTD. INITIAL SURNAMES : WALKERTON ONTARIO CORPORATION INC. ON NOV 230

03 BUSINESS NAME : 75 RIDEOUT ST. INITIAL SURNAME : WALKERTON ONTARIO CORPORATION INC. ON NOV 230

04 DATE OF BIRTH : BUSINESS NAME : ADDRESS : WALKERTON ONTARIO CORPORATION INC. ON NOV 230

05 DEBTOR NAME : RCAP LEASING INC. INITIAL SURNAME : WALKERTON ONTARIO CORPORATION INC. ON NOV 230

06 BUSINESS NAME : 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

07 ADDRESS : RCAP LEASING INC. 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

08 SECURED PARTY / LIEN CLAIMANT : RCAP LEASING INC. 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

09 ADDRESS : RCAP LEASING INC. 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

10 COLLATERAL CLASSIFICATION : CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : X MOTOR VEHICLE AMOUNT : DATE OF MATURITY OR MATURITY DATE : NO FINES : X

11 YEAR MAKE : MODEL : V.I.N.

12 MOTOR VEHICLE : JANITORIAL EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN

13 GENERAL DESCRIPTION : JANITORIAL EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN

14 COLLATERAL DESCRIPTION : JANITORIAL EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN

15 REGISTERING AGENT : REGISTRY = RECOVERY INC. 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

16 REGISTERING AGENT : REGISTRY = RECOVERY INC. 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

17 ADDRESS : 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

CONTINUED . . . 7



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR050
PAGE : 7
(2791)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
087128439

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 003 20130523 1036 8077 6042

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
05 NAME BUSINESS NAME ADDRESS

06 SECURED PARTY / LIEN CLAIMANT ADDRESS

07 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
08 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
09 YEAR MAKE MODEL V.I.N.

10 THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS
11 THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND
12 ATTACHMENTS.

13 REGISTERING AGENT ADDRESS
14
15
16
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR
[Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(01/15 08/2013)



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 8
 (2792)

RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 16 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 587128409

01 CAUTION FILING TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 03 003 20130523 1036 8077 6042

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO
 03 BUSINESS NAME ADDRESS

04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO
 DATE OF BIRTH BUSINESS NAME ADDRESS

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO
 06 NAME BUSINESS NAME ADDRESS

07

08 SECURED PARTY MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 LIEN CLAIMING CONSUMER INCLUDED MATURITY OF MATURITY DATE
 ADDRESS ADDRESS

09 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 CONSUMER INCLUDED MATURITY OF MATURITY DATE
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

10 YEAR MAKE MODEL V.I.N.

11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING GENERAL
 AGENT

17 ADDRESS

CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 16 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 650475375

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
001 2 20120803 1629 1590 5629 P PPSA 5

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME WALKERTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION NO. NOG 2Y0
04 ADDRESS 75 RIDOUT STREET

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
06 BUSINESS NAME
07 ADDRESS

08 SECURED PARTY / SAUGEEN ECONOMIC DEVELOPMENT CORPORATION ONTARIO CORPORATION NO. NOG 2M0
09 LIEN CLAIMANT 515 MILL STREET, BOX 177 NEUSTADT

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIRST
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURETY OR MATURITY DATE

11 MOTOR YEAR MAKE KOEHL V.I.N.
12 VEHICLE

13 GENERAL SPECIFIC ASSIGNMENT OF SCIENTIFIC RESEARCH & EXPERIMENTAL DEVELOPMENT
14 COLLATERAL TAK CREDIT'S GRANTED BY THE GOVERNMENT OF CANADA AND THE PROVINCE OF
15 DESCRIPTION ONTARIO

16 REGISTERING KEVIN W. MCMBEKEN LAW OFFICE ONTARIO CORPORATION NO. NAN 1M8
17 AGENT ADDRESS 207 10TH STREET

CONTINUED... 10



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS BETCH
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 650475375

01 CAUTION FILING NO. OF PAGES 002 TOTAL REGISTRATION NUMBER 20120803 1629 1590 5629 MOTOR VEHICLE SCHEDULE UNDER PERIOD REGISTRATION

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO REGISTRATION NO.

03 NAME BUSINESS NAME ADDRESS

04

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO REGISTRATION NO.

06 NAME BUSINESS NAME ADDRESS

07

08 SECURED PARTY / LIEN CLAIMANT ADDRESS BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION 281 DURHAM STREET, BOX 208 KINCARDINE ON N2Z 2Y7

09

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR SECURITY DATE GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION

14

15

16 REGISTERING AGENT ADDRESS

17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 2014020402207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
676205397

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20120213 1455 1529 6904 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME WALKERTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED
04 ADDRESS 75 RIDOUT STREET ONTARIO CORPORATION NO. 1720363
ON NOG 2V0

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 BUSINESS NAME
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / TCE CAPITAL CORPORATION TORONTO M2J 4V8
09 LIEN CLAIMANT ADDRESS 505 CONSUMERS ROAD, SUITE 707

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
CONSUMER INCLUDED Maturity DR Maturity DATE
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER X X X
X X X X X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL HUGHES, DORSCH, GARLAND, CODES LLP
14 COLLATERAL SUITE 400 365 BAY STREET TORONTO M5H 2V1
15 DESCRIPTION

16 REGISTERING AGENT
17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 12



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : P5SR050
 PAGE : 12
 (2796)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 16 FINANCING STATEMENT / CHAIN FOR LIEN

00 FILE NUMBER
 674101845

01 CAUTION PAGE TOTAL REGISTERED REGISTRATION
 FILING NO. OF PAGES NO. OF PAGES NUMBER UNIFORM PERIOD
 001 2 20111103 0927 6005 8360 P PPSA 04

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME REGISTERED REGISTRATION NO.
 03 NAME BUSINESS NAME ADDRESS BOX 1240 WALKERTON ON N0G 2V0
 BOGDON & GROSS FURNITURE COMPANY LTD.

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME REGISTERED REGISTRATION NO.
 05 NAME BUSINESS NAME ADDRESS BOX 1240 WALKERTON ON N0G 2V0
 BOGDON & GROSS FURNITURE COMPANY LTD.

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME REGISTERED REGISTRATION NO.
 07 NAME BUSINESS NAME ADDRESS BOX 1240 WALKERTON ON N0G 2V0
 NATIONAL LEASING GROUP INC.

08 SECURED PARTY / LIEN CLAIMANT ADDRESS 1525 BUFFALO PL (2543660) WPG MB R3T 1L9

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF PURCHASE
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 X

11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL ALL SPRAY BOOTH, AIR MAKE UP, FLASH OFF ROOM OF EVERY NATURE OR KIND
 14 COLLATERAL DESCRIBED IN LEASE NUMBER 2543660 BETWEEN EQUILIBASE CORP., AS
 15 DESCRIPTION ORIGINAL LESSOR AND THE DEBTOR, AS LESSEE, WHICH LEASE WAS ASSIGNED

16 REGISTERING AGENT ADDRESS
 17 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM TO FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 574101845

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
002 2 20111103 0927 6005 8360

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION CONSUMER ACCOUNTS OTHER INCLUDED DATE OF MATURITY OR MATURITY DATE
10 GROSS INVENTORY EQUIPMENT

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL BY THE ORIGINAL LESSOR TO THE SECURED PARTY, AS AMENDED FROM TIME TO
14 COLLATERAL TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY...



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : P5SR060
PAGE : 14
:

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM IC FINANCIAL STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 669858012

CAUTION PAGE NO. OF PAGES 001 1
TOTAL REGISTERED NUMBER UNDER REGISTRATION PERIOD
NOTICE VEHICLE SCHEDULE 20110513 1349 1616 4061 P PPSA 06

DEBTOR NAME : BOGDON & GROSS FURNITURE COMPANY LIMITED
BUSINESS NAME :
ADDRESS : 75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO. ON N0C 2V0

DATE OF BIRTH :
FIRST GIVEN NAME :
INITIAL :
SURNAME :
BUSINESS NAME :
ADDRESS :
CIT FINANCIAL LTD.
5035 SOUTH SERVICE ROAD BURLINGTON ON L7R 4C8

SECURED PARTY / LIEN CLAIMANT :
ADDRESS :
COLLATERAL CLASSIFICATION :
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X
MOTOR VEHICLE AMOUNT NO. FILED
DATE OF MATURITY OR MATURITY DATE

YEAR MAKE :
MODEL :
V.E.N. :
GENERAL COLLATERAL COMPRESSOR

REGISTERING AGENT :
JCLD ONLINE
ADDRESS : 16 1375 SOUTHDOWN RD STE 322 MISSISSAUGA ON L5J 2Z1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***
CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(e)11c 06(2013)



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEPTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 13 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 667201876
01 CAUTION FILING 01 TOTAL PAGES 001 REGISTERED NUMBER 20110118 REGISTRATION PERIOD 5
MOTOR VEHICLE SCHEDULE 1947 1531 7278 P PPSA

02 DEBTOR NAME BOGDON & GROSS FURNITURE COMPANY LIMITED INITIAL SURNAME WALKERSTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION INC.
04 ADDRESS 75 RIDOUT STREET WALKERSTON ON N0G 2V0

05 DEBTOR NAME SAUGREN ECONOMIC DEVELOPMENT CORPORATION INITIAL SURNAME
06 BUSINESS NAME SAUGREN ECONOMIC DEVELOPMENT CORPORATION ONTARIO CORPORATION INC.
07 ADDRESS 151 MILL STREET, PO BOX 177 NEUSTADT ON N0G 2M0

08 SECURED PARTY / LITEN CLAIMANT SAUGREN ECONOMIC DEVELOPMENT CORPORATION
09 ADDRESS 151 MILL STREET, PO BOX 177 NEUSTADT ON N0G 2M0

10 COLLATERAL CLASSIFICATION
CONSUMER X
MOTOR VEHICLE INCLUDED X
INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X
NO. FIXED MATURETY DATE

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.
12
13 GENERAL DESCRIPTION CANADIAN SECURITIES REGISTRATION SYSTEMS
14 COLLATERAL DESCRIPTION 4126 NORLAND AVENUE BURNABY BC V5G 3S8
15 REGISTERING AGENT

16 FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ...
17 CONTINUED... 16



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 36 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING 001
PAGE NO. OF PAGES 001
TOTAL MOTOR VEHICLE REGISTRATION NUMBER UNDER REGISTERED 20120314 1113 1590 7699
CORRECT PERIOD

21 RECORD REFERENCE 567201878
PAGE AMENDED NO-SPECIFIC PAGE AMENDED CHANGE REQUIRED A AMENDMENT X
FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME: BOGDON & GROSS FURNITURE COMPANY LIMITED

22 REFERENCE DEBTOR/ TRANSFEROR
23 OTHER CHANGE TO ADD SECURED PARTY
24 REASON/ DESCRIPTION

25 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
26 BUSINESS NAME: BOGDON & GROSS FURNITURE COMPANY LIMITED
27 ADDRESS

28 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION KINCARDINE ON N2Z 2Y7
29 ADDRESS 281 DURHAM STREET, P.O. BOX 206

30 COLLATERAL CLASSIFICATION CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO FIXED Maturity OF MATURITY DATE
31 YEAR MAKE MODEL V.I.N.

32 MOTOR VEHICLE KEVIN W. MCMBEKEN LAW OFFICE HANOVER ON N6N 1N8
33 GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT ADDRESS 207 10TH STREET

34 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 17



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204052207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORMER FINANCING STATEMENT OF CITIZEN FOR THIS REGISTRATION HAS BEEN DISCHARGED **

00	FILE NUMBER	855710595
01	CAUTION FILING	TOTAL PAGE NO. OF PAGES 1
		SCHEDULE 20101108 1056 1616 0202 P PSSA 05
		REGISTERED UNDER PERIOD REGISTRATION
02	DEBTOR NAME	BOGDON & GROSS FURNITURE COMPANY LIMITED
03	BUSINESS NAME	75 RIDGOUT STREET, P.O. BOX 1240 WALEBERTON
04	ADDRESS	ONTARIO CORPORATION NO. ON N06 2V0
05	DATE OF BIRTH	INITIAL SURNAME
06	DATE OF BIRTH	FIRST GIVEN NAME
07	BUSINESS NAME	ADDRESS
08	SECURED PARTY / LIEN CLAIMANT	CIT FINANCIAL LTD. 5035 SOUTH SERVICE ROAD BURLINGTON ON L7R 4C8
09	ADDRESS	ADDRESS
10	COLLATERAL CLASSIFICATION	CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF MATURITY DATE
11	MOTOR VEHICLE	YEAR MAKE MODEL V.I.N.
12	GENERAL COLLATERAL DESCRIPTION	SHAPER MACHINE AND ACCESSORIES
13	REGISTERING AGENT	JCLD ONLINE
14	ADDRESS	16-1175 SOUTHDOWN RD STE 322 MISSISSAUGA ON L5J 2Z1

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 18



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 26 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01	CAPTION	PAGE	TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
21	FILE NO. OF PAGES SCHEDULE NUMBER UNDER	001 1	20140131 1226 1616 5859
22	RECORD FILE NUMBER	565710695	REMEMBER CORRECT PERIOD
	PASS-AMENDED	NO-SPECIFIC-PASS-AMENDED	CHARGE-REQUIRED YEARS
	FIRST GIVEN NAME	INITIAL SURNAME	C DISCHARGE
23	BUSINESS NAME	BOGDON & GROSS FURNITURE COMPANY LIMITED	
24	DEBTOR/ TRANSFEROR		
25	OTHER CHANGE		
26	REASON/ DESCRIPTION		
27	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
28	DEBTOR/ TRANSFEREE	BUSINESS NAME	ADDRESS
02/			
05/			
03/			
06			
04/07			

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 COLLATERAL CLASSIFICATION

09 CONSUMER ADDRESS

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

11 YEAR MAKE MODEL

12 MOTOR VEHICLE

13 GENERAL COLLATERAL

14 DESCRIPTION

15 REGISTERING AGENT OF

16 SECURED PARTY/

17 LIEN CLAIMANT

DATES OF NO FIXED MOUNT MATURITY OR MATURITY DATE

V.I.N.

MISSISSAUGA CN L5J 2Z1

JCLD ONLINE 16-1375 SOUTHDOWN RD STE 322

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED . . .

19



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
659528658

01 CAUTION FILING NO. OF PAGES 01
MOTOR VEHICLE REGISTRATION NUMBER 20100301 1705 1462 7680
SCHEDULES P PPSA 6
REGISTERED UNDER PERIOD

02 DEBTOR DATE OF BIRTH INITIAL SURNAME
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LTD
04 ADDRESS 75 RIDGECUT ST. WALKERTON ONTARIO CORPORATION NO. 4062V0

05 DEBTOR DATE OF BIRTH INITIAL SURNAME
06 BUSINESS NAME XEROX CANADA LTD
07 ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ON M4W3H1
ONTARIO CORPORATION NO.

08 SECURED PARTY / XEROX CANADA LTD
09 AGENT CONTACT AND ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING PPSA CANADA INC. - (3992)
17 AGENT ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 20



REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETES MOBILIERES

(c)115 08/2013



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR050
PAGE : 20
(2804)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 63FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER
65895733B

01 CAUTION TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20100127 1701 1462 1052 P PSSA 5

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME WALKERTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION INC
75 RIDOUT ST ON H6G2V0

04 ADDRESS WALKERTON

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION INC
07 ADDRESS WALKERTON

08 SECURED PARTY CAPITAL UNDERWRITERS INC. ON L6H6X7
09 LIEN CLAIMANT 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED
CONSUMER INCLUDED Maturity OF Maturity Date
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER X X

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL CAPITAL UNDERWRITERS INC.
14 COLLATERAL 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 21



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER
001 1 20140120 0952 2242 1395

RECORDED REFERENCED FILE NUMBER 658957338
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED C DISCHARGE
FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED

OTHER CHANGE REASON/ DESCRIPTION DEBTOR/ TRANSFEREE DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS COMMENTS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR NO FIXED MATURITY DATE

YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OF SECURED PARTY/ LIEN CLAIMANT ADDRESS

TD EQUIPMENT FINANCE CANADA INC.
2020 WINSTON PARK DRIVE SUITE 301
ON 16H 6X7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED...



ONTARIO CORPORATION NO.

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY REGISTRY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03 FEB 2014

***** THIS REGISTRATION HAS BEEN DISCHARGED ****

00 FILE NUMBER : 558103655
01 CAUTION : PAGES TOTAL : MOTOR VEHICLE REGISTRATION : REGISTERED : REGISTRATION :
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20091209 1403 1462 9991 P PPSA 5
02 FIRST GIVEN NAME : SURNAME : WALKERTON
03 BUSINESS NAME : BOGDON & GROSS FURNITURE COMPANY LIMITED
04 ADDRESS : 75 RIDOUT ST ONTARIO CORPORATION NO. : NDG2VD

05 DATE OF BIRTH : FIRST GIVEN NAME : INITIAL : SURNAME : ONTARIO CORPORATION NO. :
06 BUSINESS NAME : CAPITAL UNDERWRITERS INC.
07 ADDRESS : 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

08 SECURED PARTY / LIEN CLAIMANT : ADDRESS :
09 CAPITAL UNDERWRITERS INC.
2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

10 COLLATERAL CLASSIFICATION :
CONSUMER : MOTOR VEHICLE : AMOUNT : DATE OF : NO. FIXED :
GOODS : INVENTORY EQUIPMENT : ACCOUNTS OTHER : INCLUDED : MATURITY OF : MATURITY DATE :
11 YEAR : MAKE : MOBI : V.I.N. :
12 MOTOR :
VEHICLE :
13 GENERAL :
14 COLLATERAL :
15 DESCRIPTION :
16 REGISTERING :
17 AGENT : CAPITAL UNDERWRITERS INC.
ADDRESS : 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 23



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204052207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER

01 RECORD FILE NUMBER 558103868 20140130 1023 2342 1401

21 REFERENCE PAGE AMENDOR NO SPECIFIC PAGE AMENDED CHANGE REQUIRED CORRECT PERIOD
REASON/ C. DISCHARGE YEARS

22 DEBTOR/ FIRST GIVEN NAME INITIAL SURNAME

23 TRANSFEROR BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED

24 OTHER CHANGE

25 REASON/ DESCRIPTION

26 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

27 DEBTOR/ BUSINESS NAME

28 TRANSFEROR ADDRESS

02/05 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

03/06 COLLATERAL CLASSIFICATION ADDRESS

04/07 LONGNUMBER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO FIXED

05 YEAR MAKE MODEL V.I.N.

06 REGISTERING AGENT OF TD EQUIPMENT FINANCE CANADA INC

07 SECURED PARTY/ ADDRESS 2020 WINSTON PARK DRIVE SUITE 301

08 LIEN CLAIMANT OAKVILLE ON L6H 6X7

09 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

10 CONF INUED...

11

12

13

14

15

16

17



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092297.66

TYPE OF SEARCH : BUSINESS DESK
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN
FILE NUMBER
648512679
CAUTION: PAGE NO. OF TOTAL REGISTRATION REGISTERED REGISTRATION
FILING SCHEDULE 001 001 PAGES UNDER PRIOR PERIOD
20880915 1135 1861 9120 P PSSA 15
DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
BUSINESS NAME BUSINESS NAME
BOGDON & GROSS FURNITURE COMPANY LIMITED WALKERTON ONTARIO CORPORATION NO.
75 RIDOUT STREET ONTARIO CORPORATION NO.

DEBTOR NAME BOGDON & GROSS FURNITURE COMPANY LIMITED WALKERTON ONTARIO CORPORATION NO. 2110785 ONTARIO INC.
DEBTOR NAME BUSINESS NAME ADDRESS 75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO.
DATE OF BIRTH BUSINESS NAME ADDRESS 75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO.

SECURED PARTY / LIEN CLAIMANT ADDRESS 2110785 ONTARIO INC. WALKERTON ONTARIO CORPORATION NO. 2110785 ONTARIO INC.
75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO. 2110785 ONTARIO INC.
75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO.

COLLATERAL CLASSIFICATION: CONSUMER, GOODS, INVENTORY, EQUIPMENT, ACCOUNTS OTHER, MOTOR VEHICLE AMOUNT, MATURED, NO. FIXED, MORTUARY DATE
MODEL V.I.N.

MOTOR VEHICLE HEENAN BLAIRIE LLP #2600-206 BAY STREET, SOUTH TOWER TORONTO ONT M5J 2J4

GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT ADDRESS *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. *** CONTINUED... 25



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FALLING NO. OF PAGES SCHEDULE NUMBER UNDER
 001 2 20090126 1033 1560 1271
 RECORD FILE NUMBER 648512829
 PAGE AMENDED NO. SPECIAL FLAGS AMENDED CHANGE REGISTERED RENEWAL CORRECT
 21 2 X 20090126 1033 1560 1271 2 YEARS PERIOD

22 FIRST GIVEN NAME: ENLITZAL SURNAME: V.I.N.
 BUSINESS NAME: BOGDON & GROSS FURNITURE COMPANY LIMITED

23 REFERENCE
 24 DEBTOR/ TRANSFEROR

25 OTHER CHANGE
 26 REASON/ TO REGISTER THE POSTPONEMENT OF SECURITY INTEREST AND FINANCING
 27 DESCRIPTION STATEMENT IN FAVOUR OF 2110785 ONTARIO INC. AS FILE NUMBER 648512829
 28 TO SECURITY INTEREST AND FINANCING STATEMENT REGISTERED AS FILE
 02/ DATE OF BIRTH FIRST GIVEN NAME ENLITZAL SURNAME V.I.N.
 05 DEBTOR/
 03/ TRANSFEROR BUSINESS NAME
 06 ADDRESS
 04/07

29 ASSIGNOR
 08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 09 ADDRESS

COLLATERAL CLASSIFICATION
 10 CONSUMER
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR DATE OF NO. FIXED MATURITY DATE

YEAR MAKE MODEL
 11 MOTOR
 12 VEHICLE
 13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION
 16 REGISTERING AGENT OF
 17 SECURED PARTY/ LIEN CLAIMANT ADDRESS

KEVIN W. MCMEKEN LAW OFFICE
 207 10TH STREET
 HANOVER ON N4N 1N8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED...



PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

REPORT : PSSR060
 PAGE : 26
 (2810)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDSK
 002 2 20090126 1033 1590 1271

RECORD FILE NUMBER 648512829
 REASON FOR AMENDMENT NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
 FIRST GIVEN NAME INITIAL SURNAME

REFERENCE BUSINESS NAME
 DEBTOR/ TRANSFEROR
 OTHER CHANGE REASON/ DESCRIPTION NUMBER 650872224 IN FAVOUR OF R & M NELSON HOLDINGS LTD.
 DEBTOR/ TRANSFEREE DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

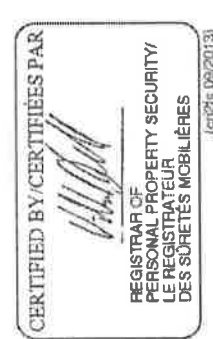
ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS
 ADDRESS

COLLATERAL CLASSIFICATION ADDRESS
 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO FIXED AMOUNT MATURITY OR MAJORITY USEE V.I.N.

YEAR MAKE MODEL
 MOTOR VEHICLE
 GENERAL COLLATERAL DESCRIPTION
 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT ADDRESS

29 08 09 10 11 12 13 14 15 16 17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED...



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 27
(2811)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILING NO. OF PAGES SCHEDULE NUMBER UNDER

01 RECORD FILE NUMBER: 648512829

21 REFERENCED PAGE AMENDED NO. SPECIALS PAGE AMENDED CHANGE REQUIRED PERIOD CORRECT
DI 001 001 001 X OTHER YEARS PERIOD

22 REFERENCE BUSINESS NAME: BOGDON & GROSS FURNITURE COMPANY LIMITED INITIAL SURNAME

25 OTHER CHANGE: SUBORDINATION
26 REASON: SECURITY INTERESTS OF SECURED PARTY ARE SUBJECT TO THE PROVISIONS OF
27 DESCRIPTION: A SUBORDINATION AGREEMENT BY SECURED PARTY IN FAVOUR OF TCE CAPITAL
28 CORPORATION DATED FEBRUARY 21, 2012.

02/ DATE OF BIRTH: FIRST GIVEN NAME INITIAL SURNAME
C3/ TRANSFERRED BUSINESS NAME
06 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

08 ADDRESS
09 COLLATERAL CLASSIFICATION

10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO. FIXED
Maturity or Maturity Date

YEAR MAKE MODEL V.I.N.

11 MOTOR VEHICLE HUGHES, DORSCH, GARLAND, COLBS LLP TORONTO ON M5H 2V1
12 GENERAL COLLATERAL SUITE 400 365 BAY STREET
13 COLLATERAL
14 DESCRIPTION
15 REGISTERING AGENT OR
16 SECURED PARTY/ ADDRESS
17 LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 28
 (2812)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER
 001 2 20120803 1613 1590 5625

RECORD FILE NUMBER 648512829
 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED
 21 001 2 001 A AMENDMENT

REFERENCE FIRST GIVEN NAME INITIAL SURNAME
 22 BOGDON & GROSS FURNITURE COMPANY LIMITED

REFERENCE BUSINESS NAME
 23 BOGDON & GROSS FURNITURE COMPANY LIMITED

REFERENCE CHANGES
 24 SECURITY INTERESTS OF THE SECURED PARTY ARE SUBJECT TO THE
 PROVISIONS OF A SUBORDINATION AGREEMENT, DATED FEBRUARY 21ST 2012,
 GIVEN IN FAVOUR OF SAIGEEN ECONOMIC DEVELOPMENT CORPORATION & BRUCE

REFERENCE DATES OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
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REFERENCE DATES OF BIRTH BUSINESS NAME ADDRESS
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ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 29 ONTARIO CORPORATION NO.

COLLATERAL CLASSIFICATION ADDRESS
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GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF NO. FIXED
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YEAR MAKE MODEL V.I.N.
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REGISTERS AGENT OR SECURED PARTY/ LIEN CLAIMANT
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REGISTERS AGENT OR SECURED PARTY/ LIEN CLAIMANT
 KEVIN W. MCKEEN LAW OFFICE
 207 10TH STREET
 HANOVER ON N4N 1N8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
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CONTINUED...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 7C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01	CAUTION FILING	PAGE NO. OF	TOTAL MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
21	RECORD REFERENCED	002 2	648512829	20120803 1613 1590 5525	
22	REFERENCES	PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL PERIOD
23	DEBTOR/TRANSFERROR		FIRST GIVEN NAME	INITIAL	SURNAME
24		BUSINESS NAME			
25	OTHER CHANGE				
26	REASON/DESCRIPTION		COMMUNITY FUTURES DEVELOPMENT CORPORATION.		
27					
28					
02/	DEPTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05/					
03/		BUSINESS NAME			
06		ADDRESS			
04/07					ONTARIO CORPORATION NO.

29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE			
08					
09					
10		COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDE
		YEAR MAKE	MODEL		V.I.N.
11	MOTOR VEHICLE				
12	GENERAL COLLATERAL				
13	DESCRIPTION				
14	REGULATING AGENT OF SECURED PARTY/LIEN CLAIMANT				
15					
16					
17					

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED...



TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH COMPLETED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 1 03FEB 2014

FORM 30 FINANCING STATEMENT / CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER
 544191609

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20080421 1703 1462 7026 P PPSA B

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION NO.
 04 ADDRESS 75 RIDOUT ST WALKERTON CN N042V0

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 SECURED PARTY / LIEN CLAIMANT ADDRESS
 CAPITAL UNDERWRITERS INC.
 200 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

10 COLLATERAL CLASSIFICATION
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OF MATURITY DATE

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

12 GENERAL COLLATERAL DESCRIPTION
 CAPITAL UNDERWRITERS INC.
 200 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7

13 REGISTERING AGENT ADDRESS
 *** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 31



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 31
 (2815)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD..
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 02 PILING NO. OF PAGES SCHEDULE NUMBER UNDER
 03 FILE NUMBER 544391909 20140130 1025 2242 1402
 04 RENEWAL CORRECT PERIOD
 05 NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS
 06 FIRST GIVEN NAME INITIAL SURNAME C DISCHARGE
 07 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED
 08 OTHER CHANGE
 09 REASON/ DESCRIPTION
 10 DEBTOR/ TRANSFEREE BUSINESS NAME
 11 FIRST GIVEN NAME INITIAL SURNAME
 12 DATE OF BIRTH
 13 BUSINESS NAME
 14 ADDRESS
 15 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
 16 ADDRESS
 17 COLLATERAL CLASSIFICATION ADDRESS
 18 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED PRESENT MATURITY OF Maturity DATE
 19 YEAR MAKE MODEL V.I.N.
 20 MOTOR VEHICLE
 21 GENERAL COLLATERAL
 22 REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT
 23 TD EQUIPMENT FINANCE CANADA INC
 24 2020 WINSTON PARK DRIVE SUITE 301
 25 OAKVILLE ON L6H 6X7
 26 ONTARIO CORPORATION NO.

CERTIFIED BY CERTIFIÉS PAR

 REGISTRAR OF PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR DES SÛRÉTÉS MOBILIÈRES
 (e/21e 08/2013)



*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
 CONTINUED... 32

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 10 FINANCIAL STATEMENT / CLAIM FOR LIEN *** THIS REGISTRATION HAS BEEN DISCHARGED ***

00	FILE NUMBER	642011157
01	CAUTION FILING	TOTAL PAGE NO. OF PAGES 902
		REGISTRATION NUMBER 20080114 1730 8079 8750 P PPSA 7
02	DEBTOR NAME	BOGDON & GROSS FURNITURE COMPANY LIMITED
03	BUSINESS NAME	BOGDON & GROSS FURNITURE COMPANY LIMITED
04	DATE OF BIRTH	75 RIDOUT STREET WALKERTON ONTARIO CORPORATION NO. N000290
05	DATE OF BIRTH	INITIAL SURNAME
06	BUSINESS NAME	INITIAL SURNAME
07	ADDRESS	ONTARIO CORPORATION NO.
08	SECURED PARTY / LIFE CLAIMANT	WELLS FARGO EQUIPMENT FINANCE COMPANY
09	ADDRESS	2550 VICTORIA PARK AVE STE 700 TORONTO ON M2J 5A9
10	COLLATERAL CLASSIFICATION	CONSUMER
		INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X
		DATE OF MATURITY OF X
11	MOTOR VEHICLE	YEAR MAKE MODEL
12	GENERAL COLLATERAL DESCRIPTION	V.I.P.
13	REGISTERING AGENT	REGISTRY = RECOVERY INC.
14		1551 THE QUEENSWAY TORONTO ON M8Z 1T5
15		*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
16		CONTINUED...
17		33

CERTIFIED BY CERTIFIED PAR
[Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTREUR DES BIENS MOBILIERS (e/11s 08/2013)



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER 642011157

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 02 002 20080114 1730 8077 9750

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / SOCIETE DE FINANCEMENT D'EQUIPEMENT WELLS FARGO ON M2J 5A9
09 LIEN CLAIMANT ADDRESS 2550 VICTORIA PARK AVE STE 700 TORONTO

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTRAR AGENT
17 ADDRESS

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY...



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSSE FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 30 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01									
31	REGISTRATION NUMBER	20140203 1432 8077 4864	RENEWAL YEARS						
32	CHANGE REQUIRED	C DISCHARGE							
33	FILE NUMBER	642011157							
32	INDIVIDUAL DEBTOR								
33	BUSINESS DEBTOR	BOGDON & GROSSE FURNITURE COMPANY LIMITED							
08/16	SECURED PARTY / SEEN CLAIMANT / REGISTERING AGENT								
09/17	NAME	RECOVERY - RECOVERY INC.							
	ADDRESS	1551 THE QUEBENSWAY							
							TORONTO		
									ON M8Z 1T5

ONTARIO CORPORATION NO.



*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 025
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DESTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM NO FINANCING STATEMENT CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER 610691199
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION FILING NO. OF PAGES NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD 01 002 20071114 1448 8077 4058 P PPSA 7
02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME WALKERTON
03 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION NO. ON N062V0
04 ADDRESS 75 RIDOUT STREET TORONTO ON M2J 5A9

05 DEBTOR NAME BOGDON & GROSS FURNITURE COMPANY LIMITED
06 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
07 BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED ONTARIO CORPORATION NO. ON N062V0
08 ADDRESS 75 RIDOUT STREET TORONTO ON M2J 5A9

09 SECURED PARTY / EYES CLAIMANT WELLS FARGO EQUIPMENT FINANCE COMPANY
ADDRESS 2550 VICTORIA PARK AVE STE 700 TORONTO ON M2J 5A9

10 COLLATERAL CLASSIFICATION
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED DATE OF MATURITY OR MATURITY DATE
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED X X
MOTOR VEHICLE AMOUNT X X
FIXED X X

11 MOTOR YEAR MAKE MODEL V.T.N.
12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION
14 COLLATERAL DESCRIPTION
15 DESCRIPTION

16 REGISTERING AGENT REGISTRY = RECOVERY INC.
17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M6Z 1T5

** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***
CONTINUED... 36



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 025
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 10, SEARCHING SEARCHED & CLAIMED BY THE REGISTRAR HAS BEEN DISCHARGED **

00 FILE NUMBER
640691199

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES NO. OF PAGES NUMBER INDEX PERIOD
02 02 002 200/1114 1446 8077 4058

02 DATE OF BIRTH FIRST GIVEN NAME SURNAME ONTARIO CORPORATION NO.
03 BUSINESS NAME ADDRESS

04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
05 DEBTOR BUSINESS NAME ADDRESS

06 SECURED PARTY / FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.
07 ALIEN CLAIMANT BUSINESS NAME ADDRESS

08 SOCIETE DE FINANCEMENT D'EQUIPEMENT WELLS FARGO
09 2550 VICTORIA PARK AVE STE 700 TORONTO ON M2J 5A9

10 COLLATERAL CLASSIFICATION
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER DATE OF NO. FILED
GOODS INCLUDED MATURITY OF MATURITY DATE

11 YEAR MAKE MODEL NET W
12 MOTOR VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***



PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

FORM 3C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01		REGISTRATION NUMBER	20140203 1030 8077 4821		
31	RECORD REFERENCE	FILE NUMBER	640691199	CHANGE REQUIRED	C DISCHARGE
32	INDIVIDUAL DEBTOR				
33	BUSINESS DEBTOR		BOGDON & GROSS FURNITURE COMPANY LIMITED		
				ONTARIO CORPORATION NO.	
08/15	SECURED PARTY/ALIEN CLAIMANT/REGISTERING AGENT	NAME	REGISTRY - RECOVERY INC.		
09/17		ADDRESS	1551 THE QUEENSWAY	TORONTO	ON M8Z 1T5

CERTIFIED BY CERTIFIERS PAR
[Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES BIENS MOBILIERS
(s/2014-08/2013)

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 38
 (2822)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN *** THIS REGISTRATION HAS BEEN DISCHARGED ***

00 FILE NUMBER 655105259

01 CAUTION FILING PAGE NO. OF PAGES TOTAL NO. OF PAGES MOTOR VEHICLE REGISTRATION NUMBER UNDER SCHEDULE 20076508 1703 1462 0163 P PPSA REGISTERED PERIOD 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED WALKERTON ONTARIO CORPORATION NO. ON NUGLVO

04 ADDRESS 7 RIDOUT STREET INITIAL SURNAME ONTARIO CORPORATION NO. ON L6M3Z8

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME CAPITAL UNDERWRITERS INC. OAKVILLE ON L6M3Z8
 07 ADDRESS 2020 WINSTON PARK DRIVE, SUITE 301

08 SECURED PARTY / LIEN CLAIMANT ADDRESS CAPITAL UNDERWRITERS INC. OAKVILLE ON L6M3Z8

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO-FIXED MATURITY DATE
 11 MOTOR YEAR MAKE MODEL V.I.N.
 12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION CAPITAL UNDERWRITERS INC. OAKVILLE ON L6H6X7
 14 COLLATERAL DESCRIPTION 2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE ON L6H6X7
 15 DESCRIPTION

16 REGISTERING AGENT CAPITAL UNDERWRITERS INC. OAKVILLE ON L6H6X7
 17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 39



(01/16/09/2013)



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR050
 PAGE : 39
 (2823)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILED PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 FILE NO. 01 001 20130402 1447 1462 9368 UNDER

RECORD FILE NUMBER 635105259

RENEWAL YEARS 1 CORRECT PERIOD

CHANGE REQUESTED 5 RENEWAL

NO SPECIFIC PAGE AMENDED

FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME BOGDON & GROSS FURNITURE COMPANY LIMITED

25 OTHER CHANGE

26 REASON/

27 DESCRIPTION

28

02/ DATE OF BIRTH

05 DEBTOR/

03/ TRANSFEREE

06 BUSINESS NAME

04/07 ADDRESS

ONTARIO CORPORATION NO.

29 ASSIGNOR

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE

09 ADDRESS

COLLATERAL CLASSIFICATION ADDRESS

CONSUMER

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT SECURITY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.

11 MOTOR

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING AGENT OR

17 SECURED PARTY/ ADDRESS ON L6H6X7

LIEN CLAIMANT

2020 WINSTON PARK DRIVE, SUITE 301 OAKVILLE

TD EQUIPMENT FINANCE CANADA INC.

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 40



RUN NUMBER : 035
 RUN DATE : 2014/02/04
 ID : 20140204092207.66

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 40
 (2924)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
 FILE CURRENCY : 03FEB 2014

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING PAGE NO. OF TOTAL MOTOR VEHICLE REGISTRATION REGISTERED UNDER
 001 1 20140130 1022 2242 1400
 RECORD FILE NUMBER 635105259
 PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT PERIOD
 21 22

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME INITIAL SURNAME
 23 24 BOGDON & GROSS FURNITURE COMPANY LIMITED

OTHER CHANGE PERSON/ DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 25 26 27 28

DEBTOR/ TRANSFEROR BUSINESS NAME ADDRESS
 02/ 05 03/ 06 04/07

ONTARIO CORPORATION NO.

ASSIGNOR SECURED PARTY LIEN CLAIMANT/ ASSIGNEE ADDRESS
 29 30 31

COLLATERAL CLASSIFICATION CONSUMER ADDRESS
 10 11 12 13 14 15 16 17

YEAR MAKE MODEL V.I.N.
 MOTOR VEHICLE INCLUDED AMOUNT MATURITY OR DATE OF MATURITY DATE
 11 12 13 14 15 16 17

REGISTERING AGENT OF ADDRESS
 TD EQUIPMENT FINANCE CANADA INC
 2020 WINSTON PARK DRIVE SUITE 301
 OAKVILLE ON L6H 6X7

LIEN CLAIMANT ADDRESS
 ... FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ...

CONT INUED ... 41



RUN NUMBER : 035
RUN DATE : 2014/02/04
ID : 20140204092207.66

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

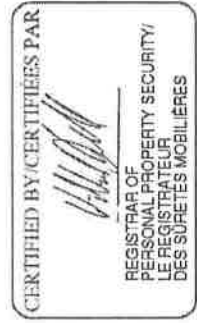
REPORT : PSSR060
PAGE : 41
(2825)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : BOGDON & GROSS FURNITURE COMPANY LTD.
FILE CURRENCY : 03FEB 2014

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
692484381	20131210 1034 1529 7641	20140116 1935 1531 3061	
688471281	20130709 1547 1031 1356		
687128409	20130523 1036 8077 6042		
680475375	20120803 1629 1590 5629		
676205397	20120213 1455 1529 6904		
67401845	20111103 0927 6005 8360		
669858912	20110513 1349 1616 4061		
667201878	20110118 1947 1531 7278	20120314 1113 1590 7699	
665740695	20101108 1056 1616 6202	20140131 1226 1616 5659	
659528658	20100301 1705 1462 7680		
658957338	20100127 1701 1462 1052	20140120 0952 2242 1395	
658103868	20091209 1403 1462 9991	20140130 1023 2242 1401	
548512829	20080915 1135 1862 9120	20090126 1033 1590 1271	20120803 1613 1590 5625
544391909	20080421 1703 1462 7026	20140130 1025 2242 1402	
542011157	20080114 1730 8077 9750	20140203 1432 8077 4864	
640691199	20071114 1446 8077 4058	20140203 1030 8077 4921	
635105259	20070508 1703 1462 0163	20130402 1447 1462 9368	20140130 1022 2242 1400

30 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



This is Exhibit "E" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x. 232

DELIVERED BY COURIER

January 28, 2014

Capital Underwriters Inc.
2020 Winston Park Drive
Suite 301
Oakville, Ontario
L6M 3Z8

Dear Sirs/Mesdames:

RE: SECTION 56 NOTICE RE DISCHARGE OF PPSA REGISTRATION

We are the lawyers for Bogdon & Gross Furniture Company Limited (“**B & G**”). We refer to the registration (the “**Registration**”) in the Personal Property Security Register by Capital Underwriters Inc. (the “**Secured Party**”) under reference file number 635105259 and registration number of 20070508 1703 1462 0163 as renewed by registration number 20130402 1447 1462 9368 registered in respect of B & G’s obligations to the Secured Party.

This letter is being sent to you pursuant to section 56 of the *Personal Property Security Act*, RSO 1990, c P.10 (the “**PPSA**”). We are advised that all of B & G’s obligations to the Secured Party have been performed.

Accordingly, pursuant to subsection 56(1) of the PPSA, we demand that within 10 days from the date of this letter, the Secured Party provide B & G with a Certificate of Discharge evidencing that the Registration has been discharged.

Please be advised pursuant to subsection 56(4) of the PPSA, the Secured Party could be liable for damages for failure to comply with this request within 10 days after receiving this letter.

Thank you for your prompt attention to this matter.

Yours very truly,

PALLET VALO LLP

A handwritten signature in black ink, appearing to be 'AIQ', with a horizontal line crossing through the middle of the letters.

Per: Asim Iqbal
AIQ/

Q:\Litigat\72528\Correspondence\Ppsa Discharge Letters\2014.01.28 - Letter To Capital Underwriters Inc.
(635105259).Docx

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x. 232

DELIVERED BY COURIER

January 28, 2014

Capital Underwriters Inc.
2020 Winston Park Drive
Suite 301
Oakville, Ontario
L6M 3Z8

Dear Sirs/Mesdames:

RE: SECTION 56 NOTICE RE DISCHARGE OF PPSA REGISTRATION

We are the lawyers for Bogdon & Gross Furniture Company Limited (“**B & G**”). We refer to the registration (the “**Registration**”) in the Personal Property Security Register by Capital Underwriters Inc. (the “**Secured Party**”) under reference file number 644391909 and registration number of 20080421 1703 1462 7026 registered in respect of B & G’s obligations to the Secured Party.

This letter is being sent to you pursuant to section 56 of the *Personal Property Security Act*, RSO 1990, c P.10 (the “**PPSA**”). We are advised that all of B & G’s obligations to the Secured Party have been performed.


Accordingly, pursuant to subsection 56(1) of the PPSA, we demand that within 10 days from the date of this letter, the Secured Party provide B & G with a Certificate of Discharge evidencing that the Registration has been discharged.

Please be advised pursuant to subsection 56(4), the Secured Party could be liable for damages for failure to comply with this request within 10 days after receiving this letter.

Thank you for your prompt attention to this matter.

Yours very truly,

PALLET VALO LLP

A handwritten signature in black ink, appearing to be 'AIQ', with a stylized flourish.

Per: Asim Iqbal

AIQ/

Q:\Litigat\72528\Correspondence\Ppsa Discharge Letters\2014.01.28 - Letter To Capital Underwriters Inc.
(635105259).Docx

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x. 232

DELIVERED BY COURIER

January 28, 2014

CIT Financial Ltd.
5035 South Service Road
Burlington, Ontario
L7R 4C8

Dear Sirs/Mesdames:

RE: SECTION 56 NOTICE RE DISCHARGE OF PPSA REGISTRATION

We are the lawyers for Bogdon & Gross Furniture Company Limited (“**B & G**”). We refer to the registration (the “**Registration**”) in the Personal Property Security Register by CIT Financial Ltd. (the “**Secured Party**”) under reference file number 665710695 and registration number of 20101108 1056 1616 0202 registered in respect of B & G’s obligations to the Secured Party.

This letter is being sent to you pursuant to section 56 of the *Personal Property Security Act*, RSO 1990, c P.10 (the “**PPSA**”). We are advised that all of B & G’s obligations to the Secured Party have been performed.

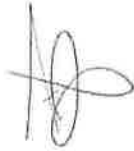
Accordingly, pursuant to subsection 56(1) of the PPSA, we demand that within 10 days from the date of this letter, the Secured Party provide B & G with a Certificate of Discharge evidencing that the Registration has been discharged.

Please be advised pursuant to subsection 56(4), the Secured Party could be liable for damages for failure to comply with this request within 10 days after receiving this letter.

Thank you for your prompt attention to this matter.

Yours very truly,

PALLET VALO LLP

A handwritten signature in black ink, appearing to be 'AIQ', with a stylized flourish extending to the right.

Per: Asim Iqbal

AIQ/

Q:\Litigat\72528\Correspondence\Ppsa Discharge Letters\2014.01.28 - Letter To Capital Underwriters Inc.
(635105259).Docx

Asim Iqbal
E-mail: aiqbal@pallettvalo.com
Direct Line: (905) 273-3022 x. 232

DELIVERED BY COURIER

January 28, 2014

Wells Fargo Equipment Finance Company
and Société de financement d'Équipement Wells Fargo
700 - 2559 Victoria Park Avenue
Suite 700
Toronto, Ontario
M2J 5A9

Dear Sirs/Mesdames:

RE: SECTION 56 NOTICE RE DISCHARGE OF PPSA REGISTRATION

We are the lawyers for Bogdon & Gross Furniture Company Limited ("B & G"). We refer to the registration (the "Registration") in the Personal Property Security Register by Wells Fargo Equipment Finance Company -and- Societe De Financement D'Équipement Wells Fargo (the "Secured Party") under reference file number 640691199 and registration number of 20071114 1446 8077 4058 registered in respect of B & G's obligations to the Secured Party.

This letter is being sent to you pursuant to section 56 of the *Personal Property Security Act*, RSO 1990, c P.10 (the "PPSA"). We note that all of B & G's obligations to the Secured Party have been performed.

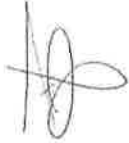
Accordingly, pursuant to subsection 56(1) of the PPSA, we demand that within 10 days from the date of this letter, the Secured Party provide B & G with a Certificate of Discharge evidencing that the Registration has been discharged.

Please be advised pursuant to subsection 56(4), the Secured Party could be liable for damages for failure to comply with this request within 10 days after receiving this letter.

Thank you for your prompt attention to this matter.

Yours very truly,

PALLET VALO LLP

A handwritten signature in black ink, appearing to be 'AIQ', with a stylized flourish extending to the right.

Per: Asim Iqbal
AIQ/

Q:\Litigat\72528\Correspondence\PPSA Discharge Letters\2014.01.28 - Letter To Wells Fargo (640691199).Docx

Asim Iqbal
E-mail: aiqbal@palletvalo.com
Direct Line: (905) 273-3022 x. 232

DELIVERED BY COURIER

January 28, 2014

Wells Fargo Equipment Finance Company
and Société de financement d'Équipement Wells Fargo
2559 Victoria Park Avenue
Suite 700
Toronto, Ontario
M2J 5A9

Dear Sirs/Mesdames,

RE: SECTION 56 NOTICE RE DISCHARGE OF PPSA REGISTRATION

We are the lawyers for Bogdon & Gross Furniture Company Limited (“**B & G**”). We refer to the registration (the “**Registration**”) in the Personal Property Security Register by Wells Fargo Equipment Finance Company and Société de financement d'Équipement Wells Fargo (the “**Secured Party**”) under reference file number 642011157 and registration number of 20080114 1730 8077 9750 registered in respect of B & G's obligations to the Secured Party.

This letter is being sent to you pursuant to section 56 of the *Personal Property Security Act*, RSO 1990, c P.10 (the “**PPSA**”). We note that all of B & G's obligations to the Secured Party have been performed.

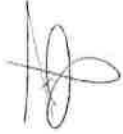
Accordingly, pursuant to subsection 56(1) of the PPSA, we demand that within 10 days from the date of this letter, the Secured Party provide B & G with a Certificate of Discharge evidencing that the Registration has been discharged.

Please be advised pursuant to subsection 56(4), the Secured Party could be liable for damages for failure to comply with this request within 10 days after receiving this letter.

Thank you for your prompt attention to this matter.

Yours very truly,

PALLET VALO LLP

A handwritten signature in black ink, appearing to be 'AIQ', written over a horizontal line.

Per: Asim Iqbal

AIQ/

Q:\Litigat\72528\Correspondence\PPSA Discharge Letters\2014.01.28 - Letter To Wells Fargo (642011157).Docx

This is Exhibit "F" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)



Main Menu > PPSA Change/Renewal/Discharge Menu

Change/Renewal/Discharge Confirmation

Web Page ID: **WChg012**

File Currency: **29JAN 2014**

System Date: **30JAN2014**

Type:	Full Discharge
Batch ID:	2242A20140130A (For Internal use)
File No.:	635105259
Registration No.:	20140130 1022 2242 1400
Total pages:	1

Note: Please keep a record of this information. An official verification statement will be mailed to the Registering Agent (if entered), otherwise to the Secured Party.

Print

OK

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LAST MODIFIED: NOVEMBER 16, 2013



Main Menu > PPSA Change/Renewal/Discharge Menu

Change/Renewal/Discharge Confirmation

Web Page ID: **WChg012**

File Currency: **29JAN 2014**

System Date: **30JAN2014**

Type:	Full Discharge
Batch ID:	2242A20140130A (For Internal use)
File No.:	644391909
Registration No.:	20140130 1025 2242 1402
Total pages:	1

Note: Please keep a record of this information. An official verification statement will be mailed to the Registering Agent (if entered), otherwise to the Secured Party.

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LAST MODIFIED: NOVEMBER 16, 2013



5036 South Service Road
P.O. Box 5072
Burlington, Ontario L7R 3Y8

FACSIMILE TRANSMISSION FORM

Date: JAN 31 2014

To/A: Pallett Valo-Asim Iqbal
Re/Objet: Bogdon & Gross Furniture
Fax/Téléç: 905-273-6920

From/De: EFC Waivers
Telephone: 1-888-839-6660
Fax/Téléç: 1-905-633-3302

Pages: 2, including cover page

As per your request, please see the attached Discharge verification pertaining to registration file # 665710695 for your records.

If you have any questions regarding this matter, please contact me at the number provided above.

Regards,
Reglstration Discharges & Waivers

ONTARIO VERIFICATION STATEMENT / ÉTAT DE VÉRIFICATION D'ONTARIO

Reference File Number/N° de dossier 665710885
Registration Number/N° d'enregistrement 20140131122816165859
Registration/Régistration Discharge
Expiry Date/Date d'expiration 31JAN2014

Reference Debtor/Débiteur
BOGDON & GROSS FURNITURE COMPANY LIMITED
Registering Agent/Agent d'enregistrement
JCLD ONLINE
16-1375 SOUTHDOWN RD STE 322, MISSISSAUGA, ON, L5J 2Z1

End of Statement / Fin d'État

Notice: This Verification Statement indicates that a notice has been registered in the Personal Property Security Registration System. This Verification Statement is sent to you as a courtesy only and is not a certificate. Verify that the information contained in the statement is accurate.
Avis: Cet état de vérification indique qu'un avis a été enregistré dans le système d'enregistrement des sûretés mobilières. Cet état de vérification est expédié à titre gracieux seulement et ne constitue pas un certificat. Veuillez vérifier l'exactitude des renseignements qui y apparaissent.

650613/824662-CITGROUPO1:760-0463672-001

ONTARIO
***** DISCHARGE NOTICE *****

Discharge Date
03 Feb 2014

Requested By: **EQUEVEDO**
R=R ID #: **410785**
Client Reference #: **35762-TS**
Client Decket #: **CUC**
Discharge Request Date: **31 Jan 2014**
Discharge Date: **03 Feb 2014**

Original Reference File No (As Recorded): **640691199**
File Number: **640691199**
Discharge Registration Number: **20140203-1030-8077-4821**

Debtor Name (as Recorded)
BOGDON & GROSS FURNITURE COMPANY LIMITED
75 RIDOUT STREET WALKERTON ON N0G2V0

Secured Party
WELLS FARGO EQUIPMENT FINANCE COMPANY
2550 VICTORIA PARK AVE STE 700
TORONTO ON M2J 5A9

Registering Agent
Registries Online
1551 The Queensway Ave.
Toronto, ON M8Z 1T8

Courtesy Notice

ONTARIO
***** DISCHARGE NOTICE *****

Discharge Date
03 Feb 2014

Requested By EQUVEDO
R=R ID# 410828
Client Reference # 35762-001
Client Docket # CUC
Discharge Request Date 03 Feb 2014
Discharge Date 03 Feb 2014

Original Reference File No (As Recorded) 642011157
File Number 642011157
Discharge Registration Number 20140203-1432-8077-4864

Debtor Name (as Recorded)
BOGDON & GROSS FURNITURE COMPANY LIMITED
75 RIDOUT STREET WALKERTON ON N0G2V0

Secured Party
WELLS FARGO EQUIPMENT FINANCE COMPANY
2550 VICTORIA PARK AVE STE 700
TORONTO ON M2J 5A9

Registering Agent
Registries Online
1551 The Queensway Ave.
Toronto, ON M8Z 1T8

Courtesy Notice

This is Exhibit "G" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)



EXAMINER'S STATEMENT OF ACCOUNT - RELEVÉ DE COMPTE DE L'EXAMINATEUR

Taxpayer's Name - Nom du contribuable BOGDON & GROSS FURNITURE COMPANY LIMITED		Date FEB 20/14
Taxpayer's Address - Adresse du contribuable P.O. BOX 1240 75 RIDOUT ST WALKERTON		Collections Sections Contact - Personne ressource / Section des recouvrements S. LAXMIDHAR
Account Number - Numéro de compte 100569102 RP		Collections Section Telephone - Téléphone Section des recouvrements 1-855-213-1979
		Tax Services Office - Bureau des services fiscaux KITCHENER

An examination of your payroll records performed on JAN 13 to JAN 30/14 covering the period(s) JAN 13 to JAN 30/14 discloses discrepancies in your remittances as follows:

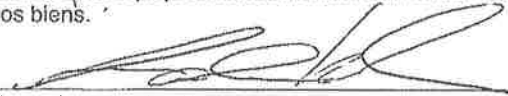
Un examen de vos registres de paie exécuté le _____ visant les périodes du _____ au _____ a révélé les écarts suivants dans vos versements :

Details - Détails	Current Year / Année courante		Previous Years - Années passées	
	2014 \$		2013 \$	\$
Total deductions and taxpayer's obligation / Total des retenues et obligation du contribuable	70602.35		657406.33	
Total credits to date / Total des crédits jusqu'à maintenant	0		518550.90	
Adjustments / Rajustements				
Difference / Différence	70602.35		138855.43	
Corrections re EI and/or CPP (See PD86 attached) / Corrections pour AE et/ou RPC (voir PD86 ci-jointe)				
Balance / Solde	70602.35		138855.43	
Failure to remit penalty / Pénalité pour défaut de remettre	7060.24		27771.08	
Interest / Intérêt	279.00		1949.00	
Late remitting penalty / Pénalité pour versement tardif				
Failure to deduct penalty / Pénalité pour défaut de déduire				
Late filing penalty / Pénalité pour production tardive				
Total owing / Montant total dû	77941.59		168575.51	
Total arrears disclosed during examination / Total des arriérés découverts lors de la vérification			246517.10	
Previous arrears / Arriérés antérieurs			154135.96	
Adjustments (Previous arrears) / Rajustements (Arriérés antérieurs)			42.00	
Interest to date on previous arrears / Intérêt jusqu'à maintenant sur les arriérés antérieurs				
Sub total / Somme partielle			400695.06	
Less: Current payment / Moins : Paiement courant			0	
Balance due / Solde dû			400695.06	

A notice of assessment will follow shortly. However, the amount owing is due and payable immediately and you are therefore required to provide the examiner with the appropriate payment. Failure to do so may result in legal proceedings either by way of garnishee or action in the Federal Court which could result in seizure and sale of your assets.

Nous vous enverrons un avis de cotisation sous peu. Cependant, le solde dû est exigible et payable immédiatement; vous devrez donc remettre à l'examineur le paiement approprié. En omettant de le faire, nous pourrions engager des procédures judiciaires sous forme de saisie-arrêt ou d'action en cour fédérale qui pourrait donner lieu à la saisie et à la vente de vos biens.


For Assistant Director, Revenue Collections Division / Pour le directeur adjoint de la Division du recouvrement des recettes


Signature for receipt only of this statement / Signature pour accuser réception de ce relevé

This is Exhibit "H" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

TCE Capital Corporation

505 Consumers Road
Suite 707
Toronto, Ontario
M2J 4V8

Tel: (416) 497-7400 ♦ Fax: (416) 497-3139

TCE Capital Corporation Factoring Agreement

Between:

TCE CAPITAL CORPORATION ("TCE")

And:

BOGDON & GROSS FURNITURE COMPANY LIMITED

Registered Office Address: 75 Ridout Street, Walkerton, Ontario N0G 2V0

Business Address: 75 Ridout Street, Walkerton, Ontario N0G 2V0

Ontario Corporation No.: 1720363

And:

ADAM HOFMANN

Residence Address: 257 4th Street Crescent, Hanover, Ontario N4N 3S9

Birth date: March 10, 1964

("Additional Covenantor")

This Agreement is made as of February 21st 2012. For good and valuable consideration acknowledged to have been received, the parties agree as follows:

1.00 Interpretation

1.01 In this Agreement:

- (a) "Account Debtors" means the persons noted in the Schedules as customers/invoices of Assignor and "Account Debtor" means any one of them;
- (b) "Agreement" means this Agreement, all Schedules, and any appendices, amendments, addenda or riders hereto;
- (c) "Associate of Assignor" means an affiliate (within the meaning of the *Ontario Business Corporations Act*), director, shareholder or employee of Assignor or Additional Covenantor, or a person who is the child of Additional Covenantor or a director of Assignor or an affiliate of Assignor, or a person who is the spouse or child of the spouse of Additional Covenantor, or spouse or child of a director of Assignor or an affiliate of Assignor;

- (d) **"Banking Day"** means a day other than a Saturday, Sunday, public holiday or other day on which banks in Toronto, Ontario are authorized or required by law to be closed, but does not include Simcoe Day;
- (e) **"Designated Due Date"** means the date identified as such in the Schedules for each particular Purchased Receivable;
- (f) **"Disqualified Receivable"** means a Purchased Receivable in relation to which Assignor is in breach of a warranty, covenant or other undertaking under this Agreement;
- (g) **"Purchased Receivables"** means the Receivables described in the Schedules;
- (h) **"Receivable"** means an account receivable arising under a contract between one or more persons and Assignor for the supply by Assignor of goods or other materials, services, or a combination of goods or other materials and services, as more particularly described in the Schedules; and
- (i) **"Schedules"** means the schedules which are or may from time to time be executed by TCE and Assignor and attached hereto or incorporated herein by reference and made a part hereof all upon the terms and conditions set forth in this Agreement and in any such Schedule or Schedules, and **"Schedule"** means any one of them. A sample form of Schedule (the form and content of actual Schedules may vary) is annexed to this Agreement as Appendix III.

1.02 In this Agreement:

- (a) a word importing only the masculine, feminine or neuter gender includes members of the other genders;
- (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (c) a reference to any Act, By-law, Rule or regulation or to a provision thereof shall be deemed to include a reference to any Act, By-law, Rule or regulation or provision enacted in substitution therefor or amendment thereof;
- (d) the headings to each section are inserted for convenience of reference only and do not form part of this Agreement; and
- (e) all accounting terms have the same meanings as are applied to those terms by the Canadian Institute of Chartered Accountants.

1.03 If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) are named above and execute this Agreement as Assignor or as Additional Covenantor, the liability of each such individual, corporation, partnership or other business association under this Agreement shall be joint and several and the release or discharge by TCE of one shall not release or discharge the others. In like manner, if Assignor or Additional Covenantor named in this Agreement is a partnership or other business association, the members of which are by virtue of statutory or general law subject to personal liability, the liability of each such member shall be joint and several and the release or discharge by TCE of one shall not release or discharge the others. This Agreement shall be interpreted to reflect multiple parties being named and executing this Agreement as Assignor or as Additional Covenantor. By way of example, the term "Receivable" includes an account receivable for any party or parties named and executing this Agreement as Assignor.

2.00 Purchase of Receivables

2.01 Assignor hereby sells and TCE hereby purchases all of the Purchased Receivables.

2.02 Ownership of all Purchased Receivables shall vest in TCE together with all rights under or in relation to the contracts to which the Purchased Receivables relate, including all liens or other rights in any good, material, or product or any service that is to be supplied, all instruments (including, for greater certainty, negotiable instruments, bills of exchange, cheques and post-dated cheques), guarantees, security interests and insurance policies and indemnity contracts taken or held by Assignor to secure the performance of any or all of the obligations of the Account Debtors and the right of Assignor to rescind or terminate such contracts or to accept a return of any goods or other materials supplied under such contracts.

2.03 At the request of TCE, Assignor shall execute a formal written assignment in a form satisfactory to TCE of the rights of Assignor in any one or more contracts, Purchased Receivables, rights, instruments, guarantees or securities described in subsection 2.02, duly completed with any required endorsement or other signature.

2.04 Assignor hereby irrevocably appoints TCE as its attorney to execute (including the power to execute under the seal of Assignor) and deliver in Assignor's name all deeds, instruments or other documents that TCE may consider necessary or advisable in order to perfect TCE's title in any Purchased Receivable or security in respect thereof or other thing to which subsections 2.02 or 2.06 apply, and may supply any endorsement to any cheque or other instrument relating to a Receivable in order to obtain payment therefor and insert the appropriate date and addressee in any undated or unaddressed document provided by Assignor, and that power of attorney shall be deemed to be coupled with an interest.

2.05 Until such times as an effective formal assignment is made under subsection 2.03, Assignor shall be deemed to hold every contract, Receivable, right, instrument or security to which subsection 2.02 applies in trust for TCE.

2.06 Without limiting the generality of the foregoing provisions of this section 2.00, contemporaneously with the execution and delivery of each Schedule, Assignor shall execute and deliver to TCE with respect to each Purchased Receivable included in such Schedule the form of direction and authorization to Account Debtors annexed to this Agreement as Appendix I. At the request of TCE, Assignor shall also deliver to TCE contemporaneously with the execution and delivery of each Schedule acknowledgements signed by those Account Debtors specified by TCE, which acknowledgements shall be in the form of acknowledgement annexed to this Agreement as Appendix II. Notwithstanding the foregoing, TCE may, in writing, expressly authorize such other forms of direction and authorization and of acknowledgement for specified Account Debtors or Account Debtors generally.

2.07 Assignor hereby acknowledges and confirms that TCE may, from time to time and in its sole discretion, refuse to purchase any Receivables and that any factoring facility established by TCE for Assignor is subject to review and cancellation at any time at the sole discretion of TCE. Similarly, Assignor is under no obligation to sell any Receivables to TCE but remains subject to any minimum monthly discount/interest income guarantee provided for in any terms letter referenced in section 9.00 below.

3.00 Purchase Price

3.01 The purchase price to be paid in respect of each Purchased Receivable is the amount (including any sales or value added tax) payable by the Account Debtor, less the aggregate of:

- (a) any discount or other deduction allowed or allowable to the Account Debtor by Assignor; and
- (b) an amount equal to the discount percentage specified in the applicable Schedule, determined by reference to the gross value of the Purchased Receivable, before any discount or other deduction allowable to the Account Debtor by Assignor, other than any trade-in,

all as set forth in the applicable Schedule. Where the currency of a Purchased Receivable is other than Canadian currency, the purchase price payable therefor by TCE, unless otherwise agreed by TCE in the applicable Schedule, shall be the Canadian currency equivalent of that amount as determined on the day on which payment is to be made, less TCE's customary currency conversion charges, as determined by TCE's buying rate for that foreign currency, where there is such a buying rate, and by the average buying rate of the five major chartered banks in Canada, where TCE has no such buying rate.

3.02 TCE shall be entitled to be paid a set-up or administration fee upon the execution and delivery of each Schedule. The amount of any such set-up fee shall be as set out in each Schedule.

3.03 A holdback in the amount set out in the applicable Schedule will be deducted from the aggregate purchase price of the Purchased Receivables identified in such Schedule and any amounts payable by Assignor under section 5.00 will be charged against the holdback. The balance of the holdback, net of any such charges, will be paid to Assignor upon receipt by TCE of the full amount of the Purchased Receivables described in the applicable Schedule together with any amounts payable by Assignor under section 5.00. Where the full amount of any Purchased Receivable is received by TCE prior to its applicable Designated Due Date, the purchase price for that Purchased Receivable will be adjusted to reflect the actual date of receipt, subject to any minimum number of days provided for in any terms letter referenced in section 9.00 below.

3.04 The aggregate purchase price of the Purchased Receivables described in a Schedule, net of any applicable fees and holdback, shall be paid by TCE by cheque payable to Assignor, such cheque to be delivered on the Banking Day next following the date on which Assignor has executed and returned the applicable Schedule to TCE.

4.00 **Representations and Warranties**

4.01 Assignor and Additional Covenantor jointly and severally represent and warrant that:

- (a) each of Assignor and Additional Covenantor, as applicable, is a duly incorporated, organized and subsisting corporation, and has all requisite powers, capacities, licences, permissions and has taken all requisite steps under its governing legislation and the other laws applicable to it, and under its articles of incorporation, by-laws and governing resolutions to:
 - (i) own the assets which Assignor or Additional Covenantor has represented as belonging to Assignor or Additional Covenantor in any financial statement or representation made by Assignor or Additional Covenantor to TCE;
 - (ii) carry on all businesses in which Assignor or Additional Covenantor is engaged; and
 - (iii) enter into, exercise its rights and perform and comply with its obligations under this Agreement,and that all actions, conditions and things have been done, taken or fulfilled with respect thereto, that are required by law, contract or otherwise and there has been no act or omission of Assignor or Additional Covenantor which may prevent TCE from obtaining full benefit of this Agreement in accordance with its terms and intent;
- (b) neither Assignor nor Additional Covenantor is a party to any agreement under the terms of which either Assignor or Additional Covenantor is prohibited or restricted from entering into any of the obligations assumed, liabilities imposed, or restrictions accepted by Assignor and Additional Covenantor under this Agreement;
- (c) no encumbrance exists on or over any Purchased Receivable or may apply, except as disclosed in writing to TCE prior to the execution and delivery of the applicable Schedule;
- (d) no litigation, arbitration or administrative proceeding is current or pending, so far as each of Assignor and Additional Covenantor is aware, in respect of Assignor or any of its subsidiaries, which appears reasonably likely to have a materially adverse effect on Assignor and its subsidiaries taken as a whole;
- (e) to the best of each Assignor's and Additional Covenantor's information and belief and after making diligent inquiries:
 - (i) the information concerning the business affairs and financial and other condition of Assignor or Additional Covenantor that is contained in all documents, memoranda, records, statements made, sent or given by Assignor or Additional Covenantor to TCE during the course of the negotiation of this Agreement or their application to enter into this Agreement with TCE and in Assignor's current regulatory filings, is true and accurate in all material respects;
 - (ii) neither Assignor nor Additional Covenantor is aware of any material facts or circumstances which have not been disclosed; and
 - (iii) the Designated Due Date corresponding to each Purchased Receivable represents the date by which Assignor and Additional Covenantor reasonably expect such Purchased Receivable to have been collected in full;
- (f) Assignor has good and marketable title to the Purchased Receivables, free of all encumbrances save those of which TCE has been advised and to which TCE has consented in writing prior to the execution and delivery of this Agreement or the applicable Schedule;
- (g) prior to the date of this Agreement or the date of the applicable Schedule, each of Assignor and Additional Covenantor disclosed to TCE every fact or matter known to Assignor or Additional Covenantor that Assignor or Additional Covenantor knew or reasonably ought to have known would influence a reasonably prudent person in its decision of whether or not to purchase the Purchased Receivables;
- (h) none of the Account Debtors is an Associate of Assignor; and

- (i) every contract relating to a Purchased Receivable:
 - (i) was made in the ordinary course of business of Assignor;
 - (ii) provides terms of repayment that are no more liberal to the Account Debtor than those permitted under the applicable Schedule;
 - (iii) is subject to the laws of Ontario or such other jurisdiction as has been previously approved in writing by TCE;
 - (iv) provides for payment to be made by the Account Debtor in Canadian currency or in a foreign currency approved by TCE;
 - (v) has been properly and fully performed by Assignor, except with respect to on-going warranty obligations of Assignor, such that the Account Debtor of such contract, at the time of execution of the Schedule, is liable to pay the full amount of the Purchased Receivable shown as then owing in the applicable Schedule; and
 - (vi) permits its assignment to TCE as provided under this Agreement.

4.02 Assignor and Additional Covenantor jointly and severally covenant and agree that as long as any amount remains owing to TCE under this Agreement or in respect of any Purchased Receivable, they shall:

- (a) ensure that the representations and warranties given in subsection 4.01 remain true throughout such period;
- (b) perform all contractual and legal obligations of Assignor to every Account Debtor and refrain from permitting any right to set-off, counterclaim or other contra to arise in favour of any Account Debtor;
- (c) notify TCE promptly of any dispute between Assignor and an Account Debtor concerning a Purchased Receivable;
- (d) pay to TCE any remittance received by Assignor in payment of or on account of any Purchased Receivable, and pending such payment all such remittances shall be received and held by Assignor in trust for TCE and shall be kept apart from Assignor's own funds;
- (e) co-operate fully with TCE in the collection of any Purchased Receivable or the enforcement of any security or right relating to a Purchased Receivable;
- (f) refrain from rescinding, terminating or varying any contract relating to a Purchased Receivable, except with the prior consent of TCE;
- (g) observe and conform to all laws and all valid requirements of any governmental authority with respect to all or any part of its business, the Purchased Receivables and all covenants, terms and contracts upon or under which the Purchased Receivables are held;
- (h) defend the Purchased Receivables against the claims and demands of all other parties claiming to have an interest therein, and Assignor shall not without the prior written consent of TCE, create or suffer or permit to be created or levied upon the Purchased Receivables or any part thereof any charge, lien, encumbrance, execution, sequestration, extent or analogous process;
- (i) from time to time upon request by TCE do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, mortgages, hypothecs, transfers and assurances in law as TCE shall require:
 - (i) to perfect the rights of TCE in all or part of the Purchased Receivables; or
 - (ii) to carry into effect the intentions of the parties as set out in this Agreement;
- (j) keep proper books of account and maintain therein true and faithful entries of all dealings and transactions with respect to the Purchased Receivables and the Account Debtors in accordance with generally accepted accounting principles;

- (k) permit TCE, by its officers or agents, to enter the premises of Assignor and to inspect the books and records of Assignor and to make extracts therefrom;
- (l) pay all tax instalments on time and remit to the appropriate taxing authority when due all amounts deemed by any rule of law to be held in trust for the benefit of that taxing authority, and from time to time provide to TCE proof that all such payments and remittances have been made;
- (m) provide TCE with prior written notice of any change in the registered or beneficial ownership of the shares in the capital of Assignor or Additional Covenantor, as applicable, or any proposed merger or amalgamation;
- (n) comply with all applicable environmental laws and regulations and advise TCE promptly of any action, requests or violation notices received concerning Assignor's premises; and
- (o) provide TCE with such financial and other information as TCE may request from time to time;
- (p) not, directly or indirectly, guarantee or otherwise provide for, on a direct or indirect or contingent basis, the payment of any monies or performance of any obligations by any third party except as may be provided in this Agreement; and
- (q) pay all processing and reasonable legal costs (if any) associated with advances under each Schedule.

4.03 Assignor and Additional Covenantor expressly acknowledge and agree that TCE does not guarantee or warrant any goods, materials or services supplied by Assignor under any contract giving rise to any Receivable, and TCE shall not be liable or in any way responsible for the same.

5.00 Recourse

5.01 Assignor shall pay to TCE a *per diem* amount equal to the *per diem* discount factor set forth in the applicable Schedule multiplied by the amount of any Purchased Receivable not collected by the applicable Designated Due Date, such amount to be payable from the applicable Designated Due Date until the day when the full amount of such Purchased Receivable is collected. Any payment under this Agreement delivered or made to TCE by 2:00 p.m. local time on a Banking Day shall be credited as of that day but if made afterwards or on a Non-Banking Day shall be credited as of the next Banking Day.

5.02 By giving written notice to Assignor with respect to a Purchased Receivable specifying the name of the Account Debtor and the amount remaining owing in respect of the Purchased Receivable, TCE may require Assignor to repurchase the Purchased Receivable from TCE (without warranty of any nature by TCE) and the repurchase price in respect of that Purchased Receivable shall be the aggregate of the amount remaining owing plus the interest payable under subsection 5.03 less any amount paid by Assignor to TCE under subsection 5.01.

If Assignor repurchases a Purchased Receivable prior to the applicable Designated Due Date, then TCE shall rebate to Assignor a portion of the discount referred to in paragraph 3.01(b) based on the number of days remaining until the Designated Due Date relative to the discount period used in determining the original discount, subject, however, to any applicable minimum discount period.

5.03 TCE shall be entitled to interest at a rate equal to 18.25% per annum on any Purchased Receivable that TCE requires to be repurchased under subsection 5.02, such interest to be payable from the applicable Designated Due Date until the day when payment is made by Assignor. For greater certainty, TCE shall not be entitled on any given day to both the *per diem* amount under subsection 5.01 and interest under this subsection 5.02 in respect of the same Purchased Receivable.

5.04 Until such time as the repurchase price is paid or deemed to have been paid by Assignor, the Purchased Receivable and all rights, title and interest therein and all securities relating thereto shall remain vested in TCE.

5.05 Where Assignor has paid in full the repurchase price with respect to a Purchased Receivable, then:

- (a) any remittance received by TCE thereafter in respect of that Purchased Receivable, subject to any other rights TCE may have thereto, shall be paid by TCE to Assignor by cheque payable to Assignor, such cheque to be delivered no later than the next Banking Day; and
- (b) upon the request and at the expense of Assignor, TCE shall do, execute, acknowledge and deliver, or cause to

to be done, executed, acknowledged and delivered, all and every such further acts, deeds, mortgages, transfers and assurances in law as Assignor may require in order to complete or perfect the assignment of the Purchased Receivable and all rights, title or interest in the contract to which it relates or in any security relating thereto, the whole without warranty of any nature by TCE in favour of Assignor.

5.06 Where a Purchased Receivable is in the reasonable opinion of TCE a Disqualified Receivable, TCE may charge back to Assignor the amount of the Disqualified Receivable by giving written notice to that effect to Assignor, and this section shall apply, with the necessary modifications, to the repurchase of the Disqualified Receivable by Assignor.

6.00 Collection of Purchased Receivables

Except where a Purchased Receivable has been repurchased under subsection 5.02, TCE shall have the exclusive right to collect and enforce payment of the Purchased Receivable and to enforce any security held in respect of a Purchased Receivable in a manner and to an extent that it in its absolute discretion may consider advisable, and may institute, defend or compromise in the name of TCE or Assignor legal actions or other proceedings in relation to a Purchased Receivable or security in respect of a Purchased Receivable on such terms as TCE may consider fit.

7.00 Appropriation of Receipts

Between TCE and Assignor, TCE may appropriate any payment received by TCE from an Account Debtor to any of the Purchased Receivables relating to the Account Debtor.

8.00 Indemnification

8.01 Assignor and Additional Covenantor hereby jointly and severally covenant and agree to indemnify and hold TCE harmless from and against any and all expenses, liabilities, claims, actions, causes of action, suits or demands whatsoever, whether groundless or otherwise, and from and against any and all losses, damages, costs (including legal costs on a solicitor and client basis and court costs), charges and other expenses of every nature and character which TCE may have, sustain, incur or become liable for or by reason of or in any way arising out of TCE:

- (a) entering into or performing its obligations under this Agreement; and/or
- (b) collecting any Purchased Receivable or enforcing any security or right relating to any Purchased Receivable; and/or
- (c) taking or enforcing any security from Assignor in support of Assignor's obligations under this Agreement including, without limitation, any environment-related liabilities existent now or in the future with respect to any property subject to such security.

8.02 Additional Covenantor hereby covenants and agrees to indemnify and hold TCE harmless from and against any and all expenses, liabilities, claims, actions, causes of action, suits or demands whatsoever, whether groundless or otherwise, and from and against any and all losses, damages, costs (including legal costs on a solicitor and client basis and court costs), charges and other expenses of every nature and character which TCE may have, sustain, incur or become liable for or by reason of or in any way arising out of Assignor's failure to comply with any of the provisions of section 5.00 and, in particular, but without limitation, any delay or failure on the part of Assignor to repurchase a Purchased Receivable from TCE as required pursuant to subsection 5.02.

8.03 Without in any way limiting the generality of the foregoing provisions of this section 8.00, Additional Covenantor acknowledges and agrees that TCE, in its sole discretion, may require Additional Covenantor to perform any and all of the obligations set forth in section 5.00 of this Agreement to be performed by Assignor (with all changes necessary to reflect substitution of Additional Covenantor for Assignor) including, without limitation, the obligation to purchase from TCE any Purchased Receivable not collected by the applicable Designated Due Date and any Disqualified Receivable.

8.04 The parties acknowledge and agree that, as an inducement for TCE to enter into this Agreement with Assignor, Additional Covenantor shall execute and deliver, and covenants and agrees to execute and deliver a separate guarantee and postponement of claim concurrently with the execution and delivery of this Agreement by Assignor and Additional Covenantor. For greater certainty, such guarantee shall survive any disclaimer, rejection, surrender, repudiation, disaffirmance or other termination of this Agreement or the bankruptcy of Assignor and may be relied upon by TCE relative to any and all debts, liabilities and obligations of Assignor whether under this Agreement or otherwise.

8.05 The parties acknowledge and agree that, as an inducement for TCE to enter into this Agreement with Assignor and Additional Covenantor, Assignor shall execute and deliver, and covenants and agrees to execute and deliver a separate general security agreement and a separate general assignment of accounts concurrently with the execution and delivery of this Agreement by Assignor and Additional Covenantor, to secure, *inter alia*, the performance and observance of the provisions under this Agreement on Assignor's part to be observed or performed, on terms and conditions and as more fully provided in such separate general security agreement and separate general assignment of accounts.

AS

9.00 Status of Agreement

*BOUGHT BY CROSS FINANCIAL COMPANY LTD
FEB 9, 2012*

This Agreement between TCE and Assignor and Additional Covenantor together with a certain terms letter dated May 14, 2009 from TCE to 2932105 Canada Inc. (an Assignor) as accepted by Assignor and Additional Covenantor (as the same may be amended from time to time) constitutes the entire agreement between the parties with respect to the purchase of the Purchased Receivables. In the event of any conflict or inconsistency between the provisions of the terms letter and the provisions of this Agreement, the provisions of this Agreement shall govern to the extent of such conflict or inconsistency. Facsimile copies of this Agreement and each Schedule are to be considered and treated the same as original copies of such documents.

10.00 Assignment

10.01 This Agreement is personal to each of Assignor and Additional Covenantor and no right or obligation of Assignor or Additional Covenantor under this Agreement may be assigned by either of them without the written consent of TCE.

10.02 This Agreement may be assigned, deposited, pledged or hypothecated by TCE absolutely or as collateral security for its present and future primary or contingent indebtedness and liabilities.

10.03 This Agreement and all its provisions shall enure to the benefit of, and be binding upon, the parties and their respective heirs, estate trustees, personal legal representatives, successors and permitted assigns.

11.00 Further Assurances

Assignor and Additional Covenantor each shall draw, execute and deliver at its own expense, all such instruments and documents, and do all such acts and things as TCE may from time to time reasonably consider necessary or advisable for the purpose of carrying out the intent and provisions of this Agreement.

12.00 Manner of Giving Notice

12.01 Any notice, instruction or document required or permitted to be given or served by this Agreement or by law may be given personally or by facsimile or other electronic means of written telecommunication (where the intended recipient is equipped to receive such a form of telecommunication) or by prepaid courier or registered mail to the intended recipient at its address as set out in this Agreement and any party may by notice given in accordance with this subsection change its address for the purposes of this subsection.

12.02 Any notice shall be deemed (in the absence of evidence of prior receipt) to have been received by the intended recipient the same day if personally served, the next business day if sent by facsimile or other electronic means or by courier, and on the fifth business day next following where sent by registered mail.

13.00 Amendments to be in Writing

This Agreement shall not be deemed to be or construed as having been amended as a result of any oral communication between the parties or as a result of any practice of the parties, but all amendments to this Agreement shall be in writing and shall be signed by all parties, provided that any such agreement may be executed and delivered in counterparts by facsimile or by other means.

14.00 Governing Law

14.01 This Agreement is subject to and shall be construed in accordance with the laws of the Province of Ontario, Canada.

14.02 Each of the parties consents to the non-exclusive jurisdiction of the courts of the Province of Ontario, Canada with respect to all disputes arising under this Agreement.

15.00 Time of the Essence

Time shall be of the essence in the performance of all obligations by all parties to this Agreement.


16.00 Counterparts

This Agreement may be executed and delivered in counterparts by facsimile or by other means each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same Agreement, which shall be sufficiently evidenced by one of each such original counterparts.


SIGNED, SEALED AND DELIVERED, as of the date first above-written.


TCE CAPITAL CORPORATION
(TCE)

By: 
Name: GUY DRAZELL
Title: V.P. SALES & MARKETING
(Authorized Signing Officer)

Witness 

BOGDON & GROSS FURNITURE
COMPANY LIMITED
(Assignor)

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

 l/s
ADAM HOFMANN
(Additional Covenantor)

Appendix I

This is Appendix I to TCE Capital Corporation Factoring Agreement dated February ___, 2012.

DIRECTION AND AUTHORIZATION

To:

Attn:

From:

Re:

No.	NAME OF ACCOUNT DEBTOR	INV. NO.	DATE OF INVOICE	PURCHASE ORDER #	INVOICE AMOUNT (\$)	DUE DATE

You are hereby irrevocably authorized, instructed and directed to pay all monies due and owing in respect of the referenced invoice(s), without setoff, to or to the order of **TCE Capital Corporation, 505 Consumers Road, Suite 707, Toronto, Ontario M2J 4V8**, and this shall be your good, sufficient and irrevocable authority to so do. The invoiced amount noted above has been absolutely assigned to TCE Capital Corporation.

Facsimile documents pertaining to this transaction are to be considered and treated the same as original documents.

DATED this ___ day of _____, 201__.

**BOGDON & GROSS FURNITURE COMPANY
LIMITED**

By: _____
Name:
Title:
(Authorized Signing Officer)

Appendix II

This is Appendix II to TCE Capital Corporation Factoring Agreement dated February __, 2012.

ACKNOWLEDGEMENT

To: TCE Capital Corporation

From:

Re:

No.	Name of Account Debtor	Inv. No.	Date of Invoice	Purchase Order #	Invoice Amount (\$)	Due Date

We acknowledge and confirm that there is at present due and payable to BOGDON & GROSS FURNITURE COMPANY LIMITED from our Company the amount of \$ _____ relating to the above-referenced invoice(s) and that the corresponding invoiced amount(s) has (have) been absolutely assigned to TCE Capital Corporation.

We acknowledge and confirm that there are no conditions or setoffs in respect of the said amount due and owing as noted above.

We acknowledge receipt of an irrevocable direction and authorization to make payment without setoff upon said invoice(s) to or to the order of: **TCE Capital Corporation, 505 Consumers Road, Suite 707, Toronto, Ontario M2J 4V8**, and agree to comply with such direction and authorization. Payment of the said amount(s) due and owing is expected to be made on or about the due date(s) noted above.

Facsimile documents pertaining to this transaction are to be considered and treated the same as original documents.

DATED this ____ day of _____, 201__.

per:

(authorized signing officer)

Appendix III

This is Appendix III to TCE Capital Corporation Factoring Agreement dated February __, 2012.

Schedule

This is SCHEDULE _____ to TCE Capital Corporation Factoring Agreement dated as of February __, 2012 between TCE Capital Corporation ("TCE") and BOGDON & GROSS FURNITURE COMPANY LIMITED ("Assignor") and ADAM HOFMANN ("Additional Covenantor").

PURCHASED RECEIVABLES:

Subject to the terms and conditions set forth below and in the above-referenced Agreement (the "Agreement"), Assignor agrees to sell to TCE and TCE agrees to purchase the Receivables (the "Purchased Receivables") particulars of which (including, without limitation, names of Account Debtors, invoice particulars and Designated Due Dates) are set out in attached Schedule "A".

Gross Value of Receivables Purchased:	
Discount: (days @ per day)	
Administrative Fee:	
Holdback/Reserve: (XX%)	
Other:	
Other:	
Net Amount Payable to Assignor:	

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby sells, assigns and transfers to TCE, its successors and assigns, all Assignor's right, title and interest in and to the Purchased Receivables, including all monies due or to become due thereon. Assignor hereby agrees that:

1. this sale, assignment and transfer is an absolute sale;
2. the Account Debtors named are indebted to Assignor in the sums set opposite their respective names;
3. all representations and warranties made by Assignor and/or Additional Covenantor in the Agreement are true and complete as of the date of this sale.

Facsimile documents pertaining to this transaction are to be considered and treated the same as original documents.

THIS SCHEDULE INCLUDES AND IS SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT.

IN WITNESS WHEREOF THE parties hereto have executed this Schedule _____ effective as of 21, 2012.

TCE CAPITAL CORPORATION
(TCE)

By: _____
Name:
Title:
(Authorized Signing Officer)

BOGDON & GROSS FURNITURE COMPANY LIMITED
(Assignor)

By: _____
Name: ADAM HOFMAN
Title: PRESIDENT
(Authorized Signing Officer)

SCHEDULE "A"

NO	NAME OF ACCOUNT DEBTOR	INVOICE NUMBER	CLAIM NUMBE	DATE OF INVOICE	INVOICE AMOUNT (\$)	DESIGNATED DUE DATE
1						
2						
3						
4						
5						
	Total					

COPY

**PROMISSORY NOTE
(Demand Loan Facility)**

\$300,000.00

Due: Demand

FOR VALUE RECEIVED the undersigned, BOGDON & GROSS FURNITURE COMPANY LIMITED, promises to pay to or to the order of TCE CAPITAL CORPORATION ("TCE"), on demand, the principal amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) in lawful money of Canada, and to pay interest at the rate of twenty-one percent (21%) per annum calculated daily from the date hereof on the principal amount from time to time remaining unpaid, payable monthly on the last business day of each and every month commencing on the 31st day of March, 2012. Payments received shall be applied firstly in payment of unpaid accrued interest and the balance if any in reduction of principal.


The undersigned covenants to pay interest on overdue interest at the rate aforesaid and the covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

This promissory note evidences advance of the Demand Loan Facility provided for in a Terms Letter from TCE to the undersigned dated February 9, 2012 as accepted by the undersigned and certain others and is subject to the provisions thereof.

PRESENTMENT FOR PAYMENT AND PROTEST WAIVED.

DATED this 24 day of February, 2012.

**BOGDON & GROSS FURNITURE
COMPANY LIMITED**

By:  g/s.

Name: Adam Hofmann

Title: President

(I have authority to bind the Corporation)

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

1.01 For value received, the undersigned BOGDON & GROSS FURNITURE COMPANY LIMITED, a corporation incorporated under the laws of the Province of Ontario (the "Debtor"), hereby grants to TCE CAPITAL CORPORATION (the "Creditor"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Equipment, Instruments, Intangibles, Inventory, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor or in which the Debtor has any right, title or interest whatsoever or wheresoever (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (the "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (a) all Inventory of whatever kind and wherever situate;
- (b) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (c) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (hereinafter collectively called "Debts");
- (d) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (e) all contractual rights, licenses and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;
- (f) all monies other than trust monies lawfully belonging to others; and
- (g) all property described in any schedule now or hereafter annexed hereto.

1.02 The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term, including, without limitation, the Creditor.

1.03 The terms "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Money", "Personal Property", "Proceeds" and "Security" whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "Consumer Goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

2.01 The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Creditor (including, without limitation, interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Creditor shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

3.01 The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" hereto or hereafter approved in writing, prior to their creation or assumption, by the Creditor (hereinafter collectively called "Permitted Encumbrances"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement (including, without limitation, Schedule "A") shall (i) be construed as evidencing an intention or agreement on the part of the Creditor that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances or (ii) cause any such subordination to occur.
- (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, Chattel Paper and Instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and

and the amount represented by the Debtor to the Creditor from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Creditor, whether in any proceeding to enforce the Collateral or otherwise; and

- (c) the locations specified in Schedule "B" hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to Goods (including, without limitation, Inventory) constituting the Collateral, the locations specified in Schedule "B" hereto are accurate and complete, save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations.

4. COVENANTS OF THE DEBTOR

4.01 So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Creditor; provided always, that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;
- (b) to notify the Creditor in writing promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and

- (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things (including, without limitation, further schedules hereto) as may be reasonably requested by the Creditor of or with respect to the Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Creditor shall reasonably direct with loss payable to the Creditor and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and mark in the manner specified by the Creditor from time to time any and all such records and the Collateral at the Creditor's request so as to indicate the Security Interest; and
- (i) to deliver to the Creditor from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to the Collateral; and
- (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Creditor may reasonably request.

5. USE AND VERIFICATION OF THE COLLATERAL

5.01 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Creditor shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Creditor may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Creditor may reasonably request in connection therewith and for such purpose to grant to the Creditor or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

6.01 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Creditor, upon the expiry of 180 days from the date of this Security Agreement without the Indebtedness having been repaid in full, to transfer the same or any part thereof into its own name or that of its nominee(s). If the Collateral at any time includes other Securities (other than shares in any affiliates of the Debtor), the Debtor authorizes the Creditor, upon default, to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Creditor or its nominee(s) may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Creditor or its nominee(s) as such registered owner. Subject to the foregoing, upon the request of the Creditor, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Creditor's security interest in the Securities so as to effect delivery to and possession by the Creditor of those securities.

7. COLLECTION OF DEBTS

7.01 Before or after default under this Security Agreement, the Creditor may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on the Collateral to the Creditor. The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by the Debtor in trust for the Creditor and shall be turned over to the Creditor upon request.

8. INCOME FROM AND INTEREST ON THE COLLATERAL

8.01 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Creditor receives any such monies prior to default, the Creditor shall either credit same against the Indebtedness or pay the same promptly to the Debtor.

8.02 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies without any request by it, the Debtor will pay the same promptly to the Creditor.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

9.01 Whether or not default has occurred, the Debtor authorizes the Creditor:

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with accordingly; and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.

9.02 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Creditor to be held by the Creditor as herein provided.

10. DISPOSITION OF MONIES

10.01 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Creditor pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Creditor deems best in its sole discretion or, at the opinion of the Creditor, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Creditor hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

11.01 The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Creditor;

- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Creditor to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Creditor at or prior to the time of such execution.

12. ACCELERATION

12.01 The Creditor, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if the Creditor in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Creditor with respect to Indebtedness which may now or hereafter be

hereafter be payable on demand.

13. REMEDIES

13.01 Upon default, the Creditor may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Creditor or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Creditor, and the Creditor shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situate, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Creditor, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Creditor. Every such Receiver may, in the discretion of the Creditor, be vested with all or any of the rights and powers of the Creditor.

13.02 Upon default, the Creditor may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.

13.03 The Creditor may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Creditor may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Creditor may seem reasonable.

13.04 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Creditor and in addition to any other rights the Creditor may have at law or in equity, the Creditor shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Creditor shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, the Creditor shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or Proceeds and whether or not in the Creditor's possession, and shall not be liable or accountable for failure to do so.

13.05 The Debtor acknowledges that the Creditor or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Creditor or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

13.06 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Creditor or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Creditor or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.

13.07 Unless the Collateral in question is perishable, the Creditor believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Creditor will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the P.P.S.A.

14. MISCELLANEOUS

14.01 The Debtor hereby authorizes the Creditor to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Creditor may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Creditor the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

14.02 Without limiting any other right of the Creditor, whenever Indebtedness is immediately due and payable or the Creditor has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Creditor may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Creditor in any capacity, whether or not due, and the Creditor shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Creditor's records subsequent thereto.

14.03 Upon the Debtor's failure to perform any of its duties hereunder, the Creditor may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Creditor,

forthwith upon written demand therefor, an amount equal to the expense incurred by the Creditor in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 21% per annum.

14.04 The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Creditor may see fit without prejudice to the liability of the Debtor or the Creditor's right to hold and realize the Security Interest. Furthermore, after default, the Creditor may demand, collect and sue on the Collateral in either the Debtor's or the Creditor's name, at the Creditor's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting the Collateral.

14.05 No delay or omission by the Creditor in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Creditor may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Creditor granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

14.06 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any Instrument constituting the Collateral at any time held by the Creditor on which the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Creditor.

14.07 This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal legal representatives, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Creditor. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

14.08 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

14.09 Subject to the requirements of section 13.07 hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party.

Either party may notify the other pursuant hereto of any change in such party's address to be used for the purposes hereof.

14.10 This Security Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Creditor and is, and is intended to be, a continuing Security Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Security Agreement is discharged. If all of the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all of its obligations under this Security Agreement and is not then in default hereunder, then the Creditor shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.

14.11 The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

14.12 When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependant upon the person referred to being a male, female, firm or corporation.

14.13 In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

14.14 Nothing herein contained shall in any way obligate the Creditor to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

14.15 The Security Interest created hereby shall attach when this Security Agreement is signed by the Debtor and delivered to the Creditor. The Debtor and the Creditor acknowledge that value has been given and the Debtor has rights in the Collateral.

14.16 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "**Debtor**" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (a) shall extend to "**Collateral**" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "**Collateral**" thereafter owned or acquired by the amalgamated company; and
- (b) shall secure the "**Indebtedness**" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Creditor at the time of amalgamation and any "**Indebtedness**" of the amalgamated company to the Creditor

of amalgamation and any "Indebtedness" of the amalgamated company to the Creditor thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.


14.17 This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

15.01 The Debtor hereby acknowledges receipt of a copy of this Security Agreement and all financing statements in respect hereof. In the event that the Creditor pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Creditor from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement as of the 21st day of February, 2012.

**BOGDON & GROSS FURNITURE COMPANY
LIMITED**

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

SCHEDULE "A"
to the foregoing General Security Agreement

Encumbrances

Security interests perfected by registration under P.P.S.A. as of the date of the foregoing General Security Agreement under the following:

1. File number 631110078 in favour of Barbara Bogdon;
2. File number 632287908 in favour of Wajax Finance Ltd.;
3. File numbers 635105259, 644391909, 658103868 and 658957338 in favour of Capital Underwriters Inc.;
4. File numbers 640691199 and 642011157 in favour of Wells Fargo Equipment Finance Company/Societe de Financement D'Equipement Wells Fargo;
5. File number 648512829 in favour of 2110785 Ontario Inc.;
6. File number 650872224 in favour of R & M Nelson Holdings Ltd.;
7. File number 658192329 in favour of RPG Receivables Purchase Group Inc.;
8. File number 659528658 in favour of Xerox Canada Ltd.;
9. File number 660902418 in favour of Blue Chip Leasing Corporation;
10. File numbers 665710695 and 669858912 in favour of CIT Financial Ltd.;
11. File number 667201878 in favour of Saugeen Economic Development Corporation;
12. File number 668912913 in favour of VW Credit Canada Inc.;
13. File numbers 671594598 and 671594661 in favour of R&D Capital Inc.; and
14. File number 674101845 in favour of National Leasing Group Inc.

SCHEDULE "B"
to the foregoing General Security Agreement

1. Business Locations

75 Ridout Street, Walkerton, Ontario N0G 2V0

2. Location of Records relating to Collateral

75 Ridout Street, Walkerton, Ontario N0G 2V0

3. Locations of Collateral

75 Ridout Street, Walkerton, Ontario N0G 2V0

GENERAL ASSIGNMENT OF ACCOUNTS

TO: TCE CAPITAL CORPORATION

The undersigned, **BOGDON & GROSS FURNITURE COMPANY LIMITED** (the "Debtor"), for good and valuable consideration, hereby assigns, transfers and sets over unto **TCE CAPITAL CORPORATION** (the "Creditor") all debts, accounts, choses in action, claims, receivables, demands and moneys now due or owing or accruing due or which may hereafter become due or owing to the Debtor, including, without limiting the generality of the foregoing, moneys which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Debtor, together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages, lease agreements, security interests, and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for such debts, accounts, choses in action, claims, receivables, demands and moneys hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof, and all rights of action, claims or demands which the Debtor now has or may at any time hereafter have against any person or persons, firm or corporation, including, without limitation, the Crown, in respect thereof.

The Debtor hereby further assigns, transfers and sets over unto the Creditor each and all of the book or books of record and otherwise, together with all papers, documents and writings whatsoever which shall at any time during the continuance of these presents be in the possession, power, custody or control of the Debtor relating or referring to the said debts, accounts, choses in action, claims, receivables, demands, moneys and benefits and rights hereby assigned or intended so to be or in any way representing or evidencing the same.

The Debtor shall from time to time forthwith upon the request of the Creditor furnish to the Creditor in writing all information requested relating to the aforesaid debts, accounts, choses in action, claims, receivables, demands and moneys and the aforesaid contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages, lease agreements, security interests and all other rights, benefits and documents and the Creditor shall be entitled from time to time to inspect the same and make copies thereof and for such purpose, shall have access to all premises occupied by the Debtor.

The Debtor hereby irrevocably nominates, constitutes and appoints the Creditor to be the true and lawful attorney of the Debtor in the name of the Debtor to ask, demand and receive of and from any and all debtors of the Debtor the debts owing or which may become owing from them, and on non-payment of the same or any part thereof to commence and prosecute any action or proceeding for the recovery of the same and to use all other lawful remedies which the Debtor could or might have used for such recovery, and on receipt or recovery to sign and give a good and effectual receipt or receipts for the same with full power from time to time to appoint a substitute or substitutes for all or any of the purposes aforesaid, and in case of any difficulty or dispute with any debtor of the Debtor to submit such difficulty or dispute to arbitration in such manner as the Creditor shall see fit, and to compound, compromise and accept part in satisfaction for payment of the whole of any debt hereby assigned or to grant an extension of time for payment thereof either with or without security, all as the

all as the Creditor in its absolute discretion shall deem expedient, and the Debtor hereby agrees to ratify whatever the Creditor shall lawfully do or cause to be done in the premises and to indemnify the Creditor of and from all losses, costs (including, without limitation, court costs and legal fees), charges and expenses by reason of any such proceeding. The powers of any such attorney shall be deemed to be coupled with an interest.

Provided and it is hereby understood and agreed that this present assignment is and shall be a general and continuing collateral security to the Creditor for payment of all existing and future indebtedness and liability of the Debtor to the Creditor (hereinafter collectively called the "Indebtedness"), wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced or thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety, together with all costs (including, without limitation, court costs and legal fees), charges and expenses to which the Creditor shall be put in connection therewith or in connection with the collection or recovery of any of the debts, accounts, choses in action, claims, receivables, demands and moneys, and benefits or rights hereby assigned, notwithstanding any change in the nature or form of the Indebtedness or in the bills, notes or other obligations so held as collateral thereto. If all of the Indebtedness has been paid and satisfied and all obligations of the Debtor hereunder have been performed, then the Creditor shall at the request and expense of the Debtor release and discharge this present assignment and execute and deliver to the Debtor such deeds and other instruments as shall be requisite therefor.

Provided further and it is hereby understood and agreed that these presents shall not create any merger of the Indebtedness in respect of any sum or sums so owing or which may hereafter become owing on any bill of exchange, promissory note, or other security given for the same or any part or parts thereof or any contracts in respect thereof and shall not operate as a release to the Debtor or suspend, impair or otherwise affect the rights and remedies of the Creditor from time to time in respect of any such Indebtedness and further shall not in any way operate as a release to or affect the rights of the Creditor against any third party or parties liable for such Indebtedness or any part or parts thereof or upon any bill of exchange, promissory note, or other security or contract representing the same, or any part thereof or which may be taken as security therefor or for any part thereof.

It is understood and agreed that existing Indebtedness of the Debtor to the Creditor as well as all future Indebtedness, no matter upon what account showing or appearing in the books of the Creditor and whether secured by security or otherwise, shall be treated as secured hereby and that the said existing Indebtedness shall be treated as continuing notwithstanding new transactions with the Debtor, the intention of the parties being that all items on the said accounts are to be applied and dealt with in such a way that this present existing Indebtedness may remain undischarged, except as to an amount by which the total Indebtedness of the Debtor to the Creditor may be actually reduced below the present amount of the same, no matter upon what account or by what bills, notes or other obligations the said total Indebtedness may be represented.

The Creditor may collect, realize or otherwise deal with the assigned premises in such manner and at such time or times as may seem to it advisable without notice to the Debtor. Any moneys

moneys received by the Debtor in respect of the assigned premises shall be received as trustee for the Creditor and shall be forthwith paid over to the Creditor by the Debtor. The amounts collected may be applied on account of such parts of the Indebtedness as to the Creditor seems best without prejudice to its claims upon the Debtor for any deficiency. The Creditor may grant extensions, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the debtors of the Debtor and others and with the assigned premises and other securities as the Creditor may see fit, without prejudice to the liability of the Debtor or the right of the Creditor to hold and realize this security.

The Creditor shall not be liable or accountable for any failure to collect, realize or obtain payment of the assigned premises or any part thereof and the Creditor shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the assigned premises or any part thereof or for the purpose of preserving any rights of the Creditor, the Debtor or any other person in respect of the same. The Creditor may charge on its own behalf and also pay to others reasonable funds for expenses incurred and for services rendered (expressly including, without limitation, legal advices and services) in or in connection with collecting, realizing and/or obtaining payment of the assigned premises or any part thereof and may add the amount of such sums to the Indebtedness.


So long as these presents remain in effect, the Debtor covenants and agrees to do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters, information and things as may be reasonably requested by the Creditor in order to give effect to these presents and to pay all costs for searches and filings in connection therewith.

The Debtor hereby acknowledges receipt of a copy of these presents and all financing statements in respect thereof.

It is hereby declared and agreed that these presents shall enure to the benefit of the Creditor and its successors and assigns and shall be binding upon the Debtor and the Debtor's successors and assigns.

IN WITNESS WHEREOF these presents have been executed under seal and delivered by the Debtor, as of the 21st day of February, 2012.

**BOGDON & GROSS FURNITURE COMPANY
LIMITED**

By:  c/s

Name: Adam Hofmann

Title: President

(Authorized Signing Officer)

ACKNOWLEDGEMENT

TO: TCE CAPITAL CORPORATION

**RE: Financing Statement registered under the *Personal Property Security Act* (Ontario)
as registration no. 20120213145515296904 and file no. 676205397.**

The undersigned hereby acknowledges receipt of a copy of the Verification Statement relating to the above-noted Financing Statement.

DATED as of the 21st day of February, 2012.

**BOGDON & GROSS FURNITURE COMPANY
LIMITED**

By: 

Name: Adam Hofmann

Title: President

(Authorized Signing Officer)

VERIFICATION STATEMENT/ETAT DE VERIFICATION

REG UNDER/T. ENREG

Personal Property Security Act

REG PERIOD/PERIODE

5 Year

CAUTION FILING/AVERTIS

REG NUM/NO ENREGIST REF FILE NUM/NO DE REFERENCE EXPIRY DATE/DATE D'EXPIRATION

20120213145515296904 676205397

13 FEB 2017

DEBTORS/DEBITEUR

CORPORATION NUMBER

BOGDON & GROSS FURNITURE COMPANY LIMITED

1720363

75 Ridout Street
Walkerton, ON N0G 2V0

SECURED PARTIES/CREANCIER GARANTI

TCE Capital Corporation

505 Consumers Road, Suite 707
Toronto, ON Canada M2J 4V8

COLLATERAL/BIENS GREVES

**CONS GOODS/
BIENS CONS**

**INVTRY/
STOCK**

**EQUIP/
MATER**

**ACCT/
COMPT**

**OTHER/
AUTRE**

**MV INCL/
VA INCLUS**

AMOUNT/MONTANT

DATE OF MATURITY/DATE ECHEANCE

AGENT/AGENT

Hughes, Dorsch, Garland, Coles LLP

Suite 400 365 Bay Street
Toronto, ON Canada M5H 2V1

**** END OF VERIFICATION STATEMENT / FIN DE L'ETAT DE VERIFICATION ****

CONTINUING GUARANTEE AND POSTPONEMENT OF CLAIM

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the undersigned ADAM HOFMANN, an individual resident in the Town of Hanover, in the Province of Ontario (the "Guarantor"), hereby covenants and agrees with and absolutely and unconditionally guarantees to TCE CAPITAL CORPORATION (the "Creditor"), payment forthwith after demand as hereinafter provided, of the debts or liabilities, whether direct, contingent or otherwise, present or future, matured or not, which BOGDON & GROSS FURNITURE COMPANY LIMITED, a corporation incorporated under the laws of the Province of Ontario (the "Debtor"), has incurred or is under or may incur or be under to the Creditor, whether arising from dealings between the Creditor and the Debtor or from any dealings or proceedings by which the Debtor may become in any manner whatsoever liable to the Creditor whether as principal or surety or otherwise and the Guarantor guarantees to the Creditor the payment of all costs, expenses and solicitor's fees incurred by the Creditor in connection with any default on the part of the Debtor in making payment to the Creditor.

THE GUARANTOR FURTHER COVENANTS AND AGREES THAT:

1. Continuing Guarantee: This shall be a contract of continuing guarantee intended to cover any number of transactions and shall cover present debts or liabilities (if any) of the Debtor to the Creditor and all debts or liabilities incurred after the date hereof and shall apply to and secure any ultimate balance due or remaining due to the Creditor and shall be binding as a continuing obligation on the Guarantor, it being agreed that a fresh cause of action shall be deemed to arise in respect of each default on the part of the Debtor.
2. Recourse: The Creditor shall not be bound to exhaust its recourse against the Debtor, the Guarantor, other parties or any securities or guarantees which it may hold before making a demand upon the Guarantor for payment, and the liability of the Guarantor arises when notice in writing is given to the Guarantor as hereinafter provided, requiring payment. The Guarantor renounces all benefits of discussion and division.
3. Extension of Time Etc: The Creditor may grant extensions of time or other indulgences to the Debtor, the Guarantor, or to any other parties liable to the Creditor on or in respect of any indebtedness hereby guaranteed and may take and give up securities, accept compositions, settlements and compromises, grant releases and discharges, extensions of credit or variations of lending terms and otherwise deal with the Debtor, the Guarantor or any other party as the Creditor may deem expedient, and may give up or modify or abstain from filing, perfecting, recording or registering or taking advantage of any securities or instruments held by it as collateral and may realize the said securities in any manner that the Creditor considers expedient, all without obtaining the consent of the Guarantor and without giving notice to the Guarantor, and may in its absolute discretion appropriate and apply all monies received from the Debtor, the Guarantor or other parties, or from the said securities, upon such part of the Debtor's debts or liabilities as it may consider best, and from time to time may revoke or alter any such appropriation, all of the foregoing without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee.

4. Loss of Security: Any loss of or in respect of securities received by the Creditor from the Debtor, the Guarantor or any other person, whether occasioned through default or negligence of the Creditor or otherwise, shall not discharge pro tanto or lessen the liability of the Guarantor under this guarantee and postponement of claim.

5. Postponement: Any debts now or hereafter owed by the Debtor to the Guarantor or any claims now or hereafter made against the Debtor are and shall be held by the Guarantor for the further security of the Creditor, and, as between the Guarantor and the Creditor, are hereby postponed to the indebtedness now or hereafter owed by the Debtor to the Creditor, and any such debts and claims of the Guarantor shall be held in trust for the Creditor and shall be collected, enforced or proved subject to and for the purposes of this guarantee and postponement of claim and any monies received by the Guarantor in respect thereof shall upon demand be paid over to the Creditor on account of the said debts and claims; and no such debt or claim of the Guarantor against the Debtor shall be released or withdrawn by the Guarantor unless the Creditor's written consent to such release or withdrawal is first obtained and the Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations nor assign any such debt or claim to any person other than the Creditor nor ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to the Creditor. The Creditor may at any time give notice to the Debtor requiring the Debtor to pay to the Creditor any or all of the debts or claims of the Guarantor against the Debtor and in that event such debts and claims are hereby assigned and transferred to the Creditor. In the event of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of the Debtor's assets within the provisions of any bulk sales act or similar legislation or any composition with creditors or scheme of arrangement, any and all dividends or other monies which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Debtor are hereby assigned and transferred to and shall be due and be paid to the Creditor, and for such payment to the Creditor this shall be sufficient warrant and authority to any person making the same. The Guarantor shall at any time and from time to time at the request of and as required by the Creditor, make, execute and deliver all statements of claim, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Creditor under and by virtue of this instrument.

6. Default: Upon default in payment of any sum owing by the Debtor to the Creditor at any time, the Creditor may treat the whole of the indebtedness hereby secured as due and payable and may forthwith collect all or any part of the total amount hereby guaranteed and may apply the sum so collected upon the Debtor's debts or liabilities as it may consider best.

7. Accounts: The account settled or stated by or between the Creditor and the Debtor shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Debtor to the Creditor is so due.

8. Change in Corporate Status: Any change or changes in the name, objects, capital, control or constitution of the Debtor shall not affect or in any way limit or lessen the liability of the Guarantor hereunder, and, in any such case, the provisions hereof shall be applicable to all transactions occurring

occurring and all debts and liabilities incurred as well after as before such change or changes, and this guarantee and postponement of claim shall extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Debtor.

9. Powers of Debtor: The Creditor shall not be concerned to see or enquire into the powers of the Debtor or its directors, officers, partners or agents acting or purporting to act on its behalf, and this guarantee and postponement of claim shall apply notwithstanding any irregularity, defect or informality in the powers of the Debtor or its directors, officers, partners or agents acting or purporting to act on its behalf and whether or not the Debtor is a legal or suable entity and whether or not the execution and delivery of any agreement, document or instrument is beyond the powers of the Debtor or its directors, officers, partners or agents.

10. Payments by Guarantor: Should the Creditor receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee and postponement of claim, the Guarantor shall not be entitled to claim repayment against the Debtor until the Creditor's claims against the Debtor have been paid in full; and in case of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of the Debtor's assets within the provisions of any bulk sales act or similar legislation or any composition with creditors or scheme of arrangement, the Creditor shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable for any balance which may be owing to the Creditor by the Debtor. In the event of valuation by the Creditor of any of its securities and the retention thereof by the Creditor, such valuation and retention shall not, as between the Creditor and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Debtor's debts or liabilities to the Creditor, or any part thereof.

11. Guarantee in Addition to Other Securities: This guarantee and postponement of claim shall be in addition, supplemental and without prejudice to any other guarantees, indemnities, postponement agreements and/or securities, negotiable or otherwise, which the Creditor now possesses or hereafter will possess in respect of the liabilities hereby secured or intended so to be secured, and the Creditor shall be under no obligation to marshal in favour of the Guarantor any guarantees, postponement agreements and/or securities or any of the funds or assets which the Creditor may be entitled to receive or have a claim upon.

12. Waiver of Notice Etc.: The Guarantor hereby expressly waives and dispenses with notice of acceptance of this guarantee and postponement of claim, notices of non-payment and non-performance, notices of amounts of indebtedness of the Debtor outstanding at any time, protests, demands, enforcement of other security, foreclosure and possessory remedies and the Creditor shall not be bound to exhaust its recourse against the Debtor or any other person before it proceeds against the Guarantor.

13. Payment: The Guarantor shall make payment to the Creditor of the amount of any liability of the Guarantor forthwith after demand is made therefor in writing. A demand shall be effectually made when it is addressed to the Guarantor at the last address of the Guarantor known to the Creditor and is either delivered or posted, prepaid and registered. The liability of the Guarantor shall bear interest, at a

at a rate per annum equal to five percent (5%) in excess of the prime lending rate of interest expressed as a rate per annum which the principal Canadian banker of the Creditor establishes as a reference rate of interest in order to determine the interest rate it will charge on that date for loans in Canadian dollars to its customers, in effect at noon on the date in question, from the date of such demand to the date of payment. Any demand so sent shall be deemed to be received and served on the third business day following the day on which it is mailed or on the date of delivery, if delivered.

14. Further Assurances Etc.: The Guarantor agrees to execute such further assurances and do all such further acts and things as may be reasonably required by the Creditor from time to time to perfect or to carry out the provisions and intent hereof. The Guarantor hereby irrevocably appoints and constitutes the Creditor, through any duly authorized officer or employee of the Creditor, to be the true and lawful attorney of the Guarantor, in the name of the Guarantor and on the Guarantor's behalf to execute such assurances and perform such acts and things.

15. Liquidation, Bankruptcy Etc.: In the event of the liquidation, winding up or bankruptcy of the Debtor, whether voluntary or compulsory, or in the event that the Debtor shall make any composition with creditors or scheme of arrangement, the liability of the Guarantor to the Creditor shall not be lessened nor limited in any manner whatsoever.

16. Principal Debtor: Any sum which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as sole or principal debtor on demand, with interest thereon at the rate specified to be recoverable from the Guarantor pursuant to this guarantee and postponement of claim.

17. Assignment: The Creditor may in its absolute discretion assign its rights hereunder without notice thereof to the Guarantor.

18. Death: The death or loss or diminution of capacity of the Guarantor shall not affect or in any way limit or lessen the liability of the Guarantor hereunder.

19. Termination: The Guarantor may, by notice in writing delivered to the Creditor at the head office of the Creditor, terminate the Guarantor's further liability hereunder in respect of any debts or liabilities of the Debtor incurred or arising after the expiration of thirty (30) days from the date of receipt of such notice by the Creditor. All debts or liabilities of the Debtor incurred or arising whether direct, contingent or otherwise and whether matured or not prior to the expiry of such thirty (30) day period shall continue to be guaranteed by the Guarantor as herein contemplated and the Guarantor shall continue to be liable therefor. Any termination of further liability by any one or more other guarantors of the debts, liabilities and indebtedness of the Debtor to the Creditor, shall not affect or prevent the continuance of the liability hereunder of the Guarantor.

20. Possession of Guarantee: This guarantee and postponement of claim shall be operative and binding upon the Guarantor and possession of this instrument by the Creditor shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement or that it should not be effective until any conditions precedent or subsequent have been complied with.

21. Severability: Any provision of this instrument which is illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

22. Receipt: The Guarantor acknowledges receiving a copy of this instrument.

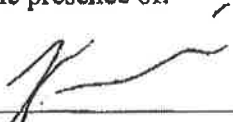
23. Entire Guarantee: There are no representations, collateral agreements or conditions with respect to this guarantee and postponement of claim or affecting the liability of the Guarantor hereunder other than as contained herein.

24. Applicable Law: This guarantee and postponement of claim shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

25. Succession: This guarantee and postponement of claim shall enure to the benefit of the Creditor and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's heirs, estate trustees and other personal legal representatives.

IN WITNESS WHEREOF this guarantee and postponement of claim has been executed under seal and delivered by the Guarantor, as of the 21st day of February, 2012.

Signed, Sealed and Delivered)
in the presence of:)



Witness)



ADAM HOFMANN /s

KEVIN W. M' MEEKEN
Barrister, Solicitor & Notary Public
(LSUC No.: 43314J)
207 - 10th Street
HANOVER, Ontario N4N 1N8
Phone: (519) 304-5505

CONTINUING GUARANTEE AND POSTPONEMENT OF CLAIM

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the undersigned **DIRK PETER NIELSEN**, an individual resident in the Town of Walkerton, in the Province of Ontario (the "Guarantor"), hereby covenants and agrees with and hereby absolutely and unconditionally guarantees to **TCE CAPITAL CORPORATION** (the "Creditor"), payment forthwith after demand as hereinafter provided, of the debts or liabilities whether direct, contingent or otherwise, present or future, matured or not, which **BOGDON & GROSS FURNITURE COMPANY LIMITED**, a corporation incorporated under the laws of the Province of Ontario (the "Debtor"), has incurred or is under or may incur or be under to the Creditor, whether arising from dealings between the Creditor and the Debtor or from any dealings or proceedings by which the Debtor may become in any manner whatsoever liable to the Creditor whether as principal or surety or otherwise and the Guarantor guarantees to the Creditor the payment of all costs, expenses and solicitor's fees incurred by the Creditor in connection with any default on the part of the Debtor in making payment to the Creditor; *provided, however, that the liability of the Guarantor hereunder shall be limited to TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$250,000.00) in lawful money of Canada in principal amount plus interest as hereinafter provided and costs, expenses and solicitor's fees incurred by the Creditor in connection with any default on the part of the Guarantor hereunder.*

THE GUARANTOR FURTHER COVENANTS AND AGREES THAT:

1. Continuing Guarantee: This shall be a contract of continuing guarantee intended to cover any number of transactions and shall cover present debts or liabilities (if any) of the Debtor to the Creditor and all debts or liabilities incurred after the date hereof and shall apply to and secure any ultimate balance due or remaining due to the Creditor and shall be binding as a continuing obligation on the Guarantor, it being agreed that a fresh cause of action shall be deemed to arise in respect of each default on the part of the Debtor. Without limiting the generality of the foregoing, this guarantee and postponement of claim expressly covers all transactions pursuant to, and all obligations of the Debtor to TCE under, a certain factoring agreement dated February __, 2012 between the Creditor and the Debtor and Adam Hofmann, and under a certain promissory note of the Debtor in favour of the Creditor in the principal amount of \$300,000.00, both dated on or about February __, 2012, as such factoring agreement and promissory note may be extended, replaced, renewed or amended from time to time (the "Factoring Agreement and the Note" respectively).
2. Recourse: The Creditor shall not be bound to exhaust its recourse against the Debtor, the Guarantor, other parties or any securities or guarantees which it may hold before making a demand upon the Guarantor for payment, and the liability of the Guarantor arises when notice in writing is given to the Guarantor as hereinafter provided, requiring payment. The Guarantor renounces all benefits of discussion and division.
3. Extension of Time Etc: The Creditor may grant extensions of time or other indulgences to the Debtor, the Guarantor, or to any other parties liable to the Creditor on or in respect of any indebtedness hereby guaranteed and may take and give up securities, accept compositions, settlements and compromises, grant releases and discharges, extensions of credit or variations of lending terms and

lending terms and otherwise deal with the Debtor, the Guarantor or any other party as the Creditor may deem expedient, and may give up or modify or abstain from filing, perfecting, recording or registering or taking advantage of any securities or instruments held by it as collateral and may realize the said securities in any manner that the Creditor considers expedient, all without obtaining the consent of the Guarantor and without giving notice to the Guarantor, and may in its absolute discretion appropriate and apply all monies received from the Debtor, the Guarantor or other parties, or from the said securities, upon such part of the Debtor's debts or liabilities as it may consider best, and from time to time may revoke or alter any such appropriation, all of the foregoing without prejudice to or in any way limiting or lessening the liability of the Guarantor under this guarantee.

4. Loss of Security: Any loss of or in respect of securities received by the Creditor from the Debtor, the Guarantor or any other person, whether occasioned through default or negligence of the Creditor or otherwise, shall not discharge pro tanto or lessen the liability of the Guarantor under this guarantee and postponement of claim.

5. Postponement: Any debts now or hereafter owed by the Debtor to the Guarantor or any claims now or hereafter made against the Debtor are and shall be held by the Guarantor for the further security of the Creditor, and, as between the Guarantor and the Creditor, are hereby postponed to the indebtedness now or hereafter owed by the Debtor to the Creditor, and any such debts and claims of the Guarantor shall be held in trust for the Creditor and shall be collected, enforced or proved subject to and for the purposes of this guarantee and postponement of claim and any monies received by the Guarantor in respect thereof shall upon demand be paid over to the Creditor on account of the said debts and claims; and no such debt or claim of the Guarantor against the Debtor shall be released or withdrawn by the Guarantor unless the Creditor's written consent to such release or withdrawal is first obtained and the Guarantor shall not permit the prescription of any such debt or claim by any statute of limitations nor assign any such debt or claim to any person other than the Creditor nor ask for or obtain any security or negotiable paper for or other evidence of any such debt or claim except for the purpose of delivering the same to the Creditor. The Creditor may at any time give notice to the Debtor requiring the Debtor to pay to the Creditor any or all of the debts or claims of the Guarantor against the Debtor and in that event such debts and claims are hereby assigned and transferred to the Creditor. In the event of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of the Debtor's assets within the provisions of any bulk sales act or similar legislation or any composition with creditors or scheme of arrangement, any and all dividends or other monies which may be due or payable to the Guarantor in respect of the debts or claims of the Guarantor against the Debtor are hereby assigned and transferred to and shall be due and be paid to the Creditor, and for such payment to the Creditor this shall be sufficient warrant and authority to any person making the same. The Guarantor shall at any time and from time to time at the request of and as required by the Creditor, make, execute and deliver all statements of claim, proofs of claim, assignments and other documents and do all matters and things which may be necessary or advisable for the protection of the rights of the Creditor under and by virtue of this instrument.

6. Default: Upon default in payment of any sum owing by the Debtor to the Creditor at any time, the Creditor may treat the whole of the indebtedness hereby secured as due and payable and may forthwith collect all or any part of the total amount hereby guaranteed and may apply the sum so collected upon the Debtor's debts or liabilities as it may consider best.

7. Accounts: The account settled or stated by or between the Creditor and the Debtor shall be accepted by the Guarantor as conclusive evidence that the balance or amount thereby appearing due by the Debtor to the Creditor is so due.

8. Change in Corporate Status: Any change or changes in the name, objects, capital, control or constitution of the Debtor shall not affect or in any way limit or lessen the liability of the Guarantor hereunder, and, in any such case, the provisions hereof shall be applicable to all transactions occurring and all debts and liabilities incurred as well after as before such change or changes, and this guarantee and postponement of claim shall extend to any person, firm or corporation acquiring or from time to time carrying on the business of the Debtor.

9. Powers of Debtor: The Creditor shall not be concerned to see or enquire into the powers of the Debtor or its directors, officers, partners or agents acting or purporting to act on its behalf, and this guarantee and postponement of claim shall apply notwithstanding any irregularity, defect or informality in the powers of the Debtor or its directors, officers, partners or agents acting or purporting to act on its behalf and whether or not the Debtor is a legal or suable entity and whether or not the execution and delivery of any agreement, document or instrument is beyond the powers of the Debtor or its directors, officers, partners or agents.

10. Payments by Guarantor: Should the Creditor receive from the Guarantor a payment or payments in full or on account of the liability under this guarantee and postponement of claim, the Guarantor shall not be entitled to claim repayment against the Debtor until the Creditor's claims against the Debtor have been paid in full; and in case of liquidation, winding up or bankruptcy of the Debtor (whether voluntary or compulsory) or in the event that the Debtor shall make a bulk sale of any of the Debtor's assets within the provisions of any bulk sales act or similar legislation or any composition with creditors or scheme of arrangement, the Creditor shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and the Guarantor shall continue to be liable for any balance which may be owing to the Creditor by the Debtor. In the event of valuation by the Creditor of any of its securities and the retention thereof by the Creditor, such valuation and retention shall not, as between the Creditor and the Guarantor, be considered as a purchase of such securities, or as payment or satisfaction or reduction of the Debtor's debts or liabilities to the Creditor, or any part thereof.

11. Guarantee in Addition to Other Securities: This guarantee and postponement of claim shall be in addition, supplemental and without prejudice to any other guarantees, indemnities, postponement agreements and/or securities, negotiable or otherwise, which the Creditor now possesses or hereafter will possess in respect of the liabilities hereby secured or intended so to be secured, and the Creditor shall be under no obligation to marshal in favour of the Guarantor any guarantees, postponement agreements and/or securities or any of the funds or assets which the Creditor may be entitled to receive or have a claim upon.

12. Waiver of Notice Etc.: The Guarantor hereby expressly waives and dispenses with notice of acceptance of this guarantee and postponement of claim, notices of non-payment and non-performance, notices of amounts of indebtedness of the Debtor outstanding at any time, protests, demands, enforcement of other security, foreclosure and possessory remedies and the Creditor shall

not be bound to exhaust its recourse against the Debtor or any other person before it proceeds against the Guarantor.

13. Payment: The Guarantor shall make payment to the Creditor of the amount of any liability of the Guarantor forthwith after demand is made therefor in writing. A demand shall be effectually made when it is addressed to the Guarantor at the last address of the Guarantor known to the Creditor and is either delivered or posted, prepaid and registered. The liability of the Guarantor shall bear interest, at a rate per annum equal to five percent (5%) in excess of the prime lending rate of interest expressed as a rate per annum which the principal Canadian banker of the Creditor establishes as a reference rate of interest in order to determine the interest rate it will charge on that date for loans in Canadian dollars to its customers, in effect at noon on the date in question, from the date of such demand to the date of payment. Any demand so sent shall be deemed to be received and served on the third business day following the day on which it is mailed or on the date of delivery, if delivered.

14. Further Assurances Etc.: The Guarantor agrees to execute such further assurances and do all such further acts and things as may be reasonably required by the Creditor from time to time to perfect or to carry out the provisions and intent hereof. The Guarantor hereby irrevocably appoints and constitutes the Creditor, through any duly authorized officer or employee of the Creditor, to be the true and lawful attorney of such Guarantor, in the name of the Guarantor and on the Guarantor's behalf to execute such assurances and perform such acts and things.

15. Liquidation, Bankruptcy Etc.: In the event of the liquidation, winding up or bankruptcy of the Debtor, whether voluntary or compulsory, or in the event that the Debtor shall make any composition with creditors or scheme of arrangement, the liability of the Guarantor to the Creditor shall not be lessened nor limited in any manner whatsoever.

16. Principal Debtor: Any sum which may not be recoverable from the Guarantor on the basis of a guarantee shall be recoverable from the Guarantor as sole or principal debtor on demand, with interest thereon at the rate specified to be recoverable from the Guarantor pursuant to this guarantee and postponement of claim. Without limiting the generality of the foregoing but subject to the aggregate limit provided for above, the Guarantor shall indemnify and hold the Creditor harmless from and against any and all expenses, liabilities, claims, actions, causes of action, suits or demands whatsoever, whether groundless or otherwise, and from and against any and all losses, damages, costs (including legal costs on a solicitor and client basis and court costs), charges and other expenses of every nature and character which the Creditor may have, sustain, incur or become liable for or by reason of or in any way arising out of the Debtor's failure to comply with or perform any of its obligations under the Factoring Agreement or the Note.

17. Assignment: The Creditor may in its absolute discretion assign its rights hereunder without written notice thereof to the Guarantor.

18. Death: The death or loss or diminution of capacity of the Guarantor shall not affect or in any way limit or lessen the liability of the Guarantor hereunder.

19. Termination: The Guarantor may, by notice in writing delivered to the Creditor at the head office of the Creditor, terminate the Guarantor's further liability hereunder in respect of any debts or liabilities of the Debtor incurred or arising after the expiration of thirty (30) days from the date of receipt of such notice by the Creditor. All debts or liabilities of the Debtor incurred or arising whether direct, contingent or otherwise and whether matured or not prior to the expiry of such thirty (30) day period shall continue to be guaranteed by the Guarantor as herein contemplated and the Guarantor shall continue to be liable therefor. Any termination of further liability by any one or more other guarantors of the debts, liabilities and indebtedness of the Debtor to the Creditor, shall not affect or prevent the continuance of the liability hereunder of the Guarantor.

20. Possession of Guarantee: This guarantee and postponement of claim shall be operative and binding upon the Guarantor and possession of this instrument by the Creditor shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement or that it should not be effective until any conditions precedent or subsequent have been complied with.

21. Severability: Any provision of this instrument which is illegal, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such illegality, prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

22. Receipt: The Guarantor acknowledges receiving a copy of this instrument.

23. Entire Guarantee: There are no representations, collateral agreements or conditions with respect to this guarantee and postponement of claim or affecting the liability of the Guarantor hereunder other than as contained herein.

24. Applicable Law: This guarantee and postponement of claim shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

25. Succession: This guarantee and postponement of claim shall enure to the benefit of the Creditor and its successors and assigns and shall be binding upon the Guarantor and the Guarantor's heirs, estate trustees and other personal legal representatives.

IN WITNESS WHEREOF this guarantee and postponement of claim has been executed under seal and delivered by the Guarantor, as of the 21st day of February, 2012.

SIGNED, SEALED AND DELIVERED)
in the presence of)


Witness KEVIN W. M'CEEKEN)
Barrister, Solicitor & Notary Public)
(LSUC No.: 43314J))
207 - 10th Street)
HANOVER, Ontario N4N 1N8)
Phone: (519) 384-5505)


_____) 1/s
DIRK PETER NIELSEN

CONTINUING GUARANTEE AND POSTPONEMENT OF CLAIM

AFFIDAVIT OF SUBSCRIBING WITNESS

I, KEVIN McMEEKEN, of the Town of HANOVER, in the Province of Ontario, MAKE OATH AND SAY that I am a subscribing witness to the attached continuing guarantee and postponement of claim made in favour of TCE Capital Corporation by Dirk Peter Nielsen and I was present and saw it executed at the Town of HANOVER, in the Province of Ontario, on the 21st day of February, 2012 by a person who identified himself to me as being Dirk Peter Nielsen.

SWORN BEFORE ME at the)
Town of Hanover)
in the Province of Ontario,)
this 21st day of February, 2012.)


A Commissioner, etc.)

DELORES ELIZABETH REAY, a Commissioner, etc.,
Province of Ontario, for Kevin W. McMeecken Law Office.
Expires September 28, 2012.



KEVIN McMEEKEN

ASSIGNMENT AND POSTPONEMENT

In consideration of advances made or to be made to **BOGDON & GROSS FURNITURE COMPANY LIMITED** by **TCE CAPITAL CORPORATION** ("TCE"), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned **2110785 ONTARIO INC.** (the "**Undersigned**"), the Undersigned hereby assigns and transfers all present and future indebtedness, direct or indirect, absolute or contingent of Bogdon & Gross Furniture Company Limited (the "**Debtor**") to the Undersigned (the "**Claims**") unto TCE by way of security for all and every indebtedness and liability, present and future, direct and indirect, absolute and contingent of the Debtor and the Undersigned, or either of them, to TCE (collectively, the "**Secured Obligations**") and agrees that:

1. Until all Secured Obligations have been paid and satisfied in full, no payment shall be made or received on account of any of the Claims and any payments which may be received by the Undersigned from the Debtor (or from any third party on account of or otherwise for the benefit of the Assignee) despite the foregoing shall be received in trust for TCE and shall be paid over to TCE forthwith upon receipt but no such payment shall have the effect of reducing the Secured Obligations until the same is actually received by TCE and retained for such purpose.
2. TCE shall not be bound to demand payment of the Claims or any part thereof or take any proceeding to collect any Claim or to enforce any security in respect thereof except as TCE may at its own discretion deem fit.
3. In the event of the bankruptcy or winding up of the Debtor or any distribution of the assets or any of the assets of the Debtor or proceeds thereof among its creditors in any manner whatsoever TCE may prove in respect of the Claims hereby assigned as a debt owing to it by the Debtor and TCE shall be entitled to receive the dividends payable in respect thereof, such dividends to be applied on such part or parts of the Secured Obligations as TCE shall see fit, until the whole of such Secured Obligations have been paid and satisfied in full and thereafter the Undersigned shall be entitled to such dividends.
4. Upon payment and satisfaction in full of the Secured Obligations and of all bills, notes and other instruments representing the same, and upon the written request of the Undersigned, TCE will release to the Undersigned TCE's claim under this agreement in respect of the Claims.
5. This shall be a continuing agreement and the transfer and assignment of the Claims contained herein:
 - (a) is in addition to and not in substitution for any other security held by TCE;
 - (b) shall not operate as a merger of any debt or suspend the fulfilment of, or affect the rights, remedies and powers of TCE with respect to any of the Secured Obligations or any other securities; and
 - (c) shall not be terminated by reason of any partial payment on account of the Secured Obligations made by the Debtor or the Undersigned or any Secured Obligations ceasing to exist, and the transfer and assignment contained herein shall be and remain valid security for any subsequent Secured Obligations.

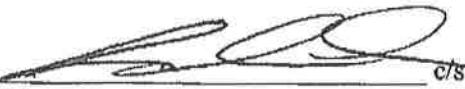
6. TCE shall not be obliged to exhaust its recourse against the Debtor, the Undersigned or any other party or against any other security before realizing on or otherwise dealing with any of the Claims in whatever way TCE considers desirable.
7. TCE may:
- (a) grant time, renewals, extensions, indulgences, releases and discharges to,
 - (b) take securities from,
 - (c) give additional security to,
 - (d) abstain from taking additional security from,
 - (e) abstain from perfecting securities of,
 - (f) accept composition from, and
 - (g) otherwise deal with
- the Debtor, the Undersigned and all other persons and securities, including any of the Claims, as TCE may see fit, without prejudice to the right of TCE to hold, deal with and realize on any of the Claims, in whatever way TCE considers desirable.
8. The Undersigned undertakes and agrees, when requested by TCE, to execute all sworn statements of claims, assignments and other documents and to do all matters and things which may be necessary or advisable to carry this agreement into effect.
9. Any moneys owing and which may become owing by the Debtor to the Undersigned shall not be withdrawn, but remain on the books of the Debtor, unless TCE's written consent to withdrawal is first obtained.
10. Except as provided in this agreement or with the consent in writing of TCE, the Undersigned will not assign any of the Claims to any other person or ask for or obtain any negotiable paper or other evidence of the Claims.
11. The Debtor acknowledges that the Claims are not the subject of nor will any future Claim be made the subject of any set-off or counterclaim by the Debtor and the Debtor and the Undersigned represent to TCE that the Undersigned holds no security for the Claims or any part thereof.
12. The Debtor and the Undersigned hereby agree with TCE that no satisfaction, consideration or security will be given to or accepted by the Undersigned for any Claims, without the written consent of TCE first had and obtained.
13. Where the Debtor or the Undersigned is a corporation, this agreement shall not be affected by:
- (a) any change whatsoever in its or their objects, capital structure, or constitution with respect to transactions occurring before or after such change; or
 - (b) its or their amalgamation with any corporation, with respect to transactions occurring before or after such amalgamation;

but shall, notwithstanding the happening of any of these events, continue to apply to all the Secured Obligations whether incurred before or after this agreement and in this agreement the word "Debtor" and "Undersigned" shall, if the Debtor or the Undersigned, respectively, is a corporation, include every firm and corporation which results from the events described in sections (a) and (b) above.

- 14. All words denoting the singular shall be pluralized throughout this agreement as the context requires and all words denoting gender shall be construed as the context requires.
- 15. This agreement shall be binding upon and shall enure to the benefit of the heirs, estate trustees, other legal personal representatives, successors and assigns of the respective parties hereto.
- 16. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

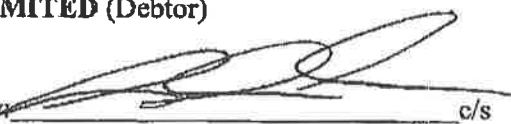
Dated as of the 21st day of February, 2012.

2110785 ONTARIO INC.
(the Undersigned)

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

Acknowledgement by the Debtor

**BOGDON & GROSS FURNITURE COMPANY
LIMITED (Debtor)**

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

SUBORDINATION AGREEMENT

TO: TCE CAPITAL CORPORATION ("TCE")

AND TO: HUGHES, DORSCH, GARLAND, COLES LLP, lawyers for TCE

RE: BOGDON & GROSS FURNITURE COMPANY LIMITED ("Debtor")

2110785 ONTARIO INC. ("Creditor") hereby acknowledges that Debtor is a debtor of Creditor and being aware that TCE has agreed to provide certain factor and credit facilities to Debtor upon terms and conditions which include TCE having priority security interests (collectively, the "TCE Security") in all present and after acquired personal property of Debtor and all proceeds thereof (collectively, the "Collateral").

For good and valuable consideration acknowledged to have been received, Creditor, subject only as hereinafter provided, hereby postpones and subordinates in favour of TCE and the TCE Security all of Creditor's security interests of every nature and kind (including, without limitation, those now or hereafter perfected under the *Personal Property Security Act* (Ontario) under registration number 20080915 1135 1862 9120 and file number 648512829) in or against any or all of the Collateral (collectively, the "Creditor Security").

Provided, however, as follows:

- i. if any of the TCE Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than Creditor by a court of competent jurisdiction and all appeals from any such finding have been heard and determined or the period for making any such appeal has expired without any appeal being made, then the foregoing postponements and subordinations shall not apply to such security; and
- ii. if any third party shall have a valid claim to any of the Collateral in priority to or on a parity with TCE but not in priority to or on a parity with Creditor, then the foregoing postponements and subordinations shall not apply so as to diminish the rights of Creditor against any such third party to such Collateral.

Subject only as provided immediately above, the postponements and subordinations contained herein shall apply in all circumstances regardless of:

- a) the date of execution, attachment, registration or perfection of any security interest held by TCE or Creditor;
- b) the date of any advance or advances made to Debtor by TCE or Creditor;
- c) the date of any supply or supplies made to Debtor by TCE or Creditor;
- d) the date of default by Debtor under any of the TCE Security or the Creditor Security or the dates of crystallization of any floating charges held by TCE or Creditor;

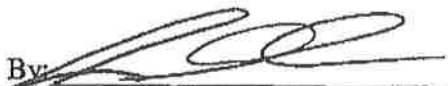
- e) the date of any notice to or demand upon Debtor (or the failure to give any notice or demand); or
- f) any priority granted by any principle of law or any statute, including, without limitation, any personal property security, corporation securities registration or like statute.

Creditor agrees to sign and deliver to TCE for registration at the expense of Creditor or Debtor, all financing change statements or other documents as may be required from time to time by TCE, acting reasonably, to record or better implement the foregoing postponements and subordinations in favour of TCE. Without limiting the generality of the foregoing, Creditor authorizes any of TCE, TCE's lawyers or the Debtor's lawyers to sign and register as Creditor's agent a financing change statement to record subordination of the Creditor Security in the Collateral perfected under the file number listed above.

This agreement shall enure to the benefit of TCE and its successors and assigns and shall be binding upon Creditor and Creditor's successors and assigns. This agreement may be executed and delivered by telecopier or other electronic means of transmission.

DATED as of the 21st day of February, 2012.

2110785 ONTARIO INC.

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

This is Exhibit "I" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

1.01 For value received, the undersigned BOGDON & GROSS FURNITURE COMPANY LIMITED, a corporation incorporated under the laws of the Province of Ontario (the "**Debtor**"), hereby grants to TCE CAPITAL CORPORATION (the "**Creditor**"), by way of mortgage, charge, assignment and transfer, a security interest (the "**Security Interest**") in the undertaking of the Debtor and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Equipment, Instruments, Intangibles, Inventory, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor or in which the Debtor has any right, title or interest whatsoever or wheresoever (including such as may be returned to or repossessed by the Debtor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor (the "**Collateral**"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (a) all Inventory of whatever kind and wherever situate;
- (b) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (c) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (hereinafter collectively called "**Debts**");
- (d) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (e) all contractual rights, licenses and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;
- (f) all monies other than trust monies lawfully belonging to others; and
- (g) all property described in any schedule now or hereafter annexed hereto.

1.02 The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term, including, without limitation, the Creditor.

1.03 The terms "Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Money", "Personal Property", "Proceeds" and "Security" whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "Consumer Goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

2.01 The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Creditor (including, without limitation, interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is at any time and from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Creditor shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

3.01 The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" hereto or hereafter approved in writing, prior to their creation or assumption, by the Creditor (hereinafter collectively called "Permitted Encumbrances"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement (including, without limitation, Schedule "A") shall (i) be construed as evidencing an intention or agreement on the part of the Creditor that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances or (ii) cause any such subordination to occur.
- (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, Chattel Paper and Instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and

and the amount represented by the Debtor to the Creditor from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Creditor, whether in any proceeding to enforce the Collateral or otherwise; and

- (c) the locations specified in Schedule "B" hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to Goods (including, without limitation, Inventory) constituting the Collateral, the locations specified in Schedule "B" hereto are accurate and complete, save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations.

4. COVENANTS OF THE DEBTOR

4.01 So long as this Security Agreement remains in effect the Debtor covenants and agrees:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Creditor; provided always, that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;
- (b) to notify the Creditor in writing promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and

- (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things (including, without limitation, further schedules hereto) as may be reasonably requested by the Creditor of or with respect to the Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Creditor shall reasonably direct with loss payable to the Creditor and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and mark in the manner specified by the Creditor from time to time any and all such records and the Collateral at the Creditor's request so as to indicate the Security Interest; and
- (i) to deliver to the Creditor from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to the Collateral; and
- (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Creditor may reasonably request.

5. USE AND VERIFICATION OF THE COLLATERAL

5.01 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Creditor shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Creditor may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Creditor may reasonably request in connection therewith and for such purpose to grant to the Creditor or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

6.01 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Creditor, upon the expiry of 180 days from the date of this Security Agreement without the Indebtedness having been repaid in full, to transfer the same or any part thereof into its own name or that of its nominee(s). If the Collateral at any time includes other Securities (other than shares in any affiliates of the Debtor), the Debtor authorizes the Creditor, upon default, to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Creditor or its nominee(s) may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Creditor or its nominee(s) as such registered owner. Subject to the foregoing, upon the request of the Creditor, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Creditor's security interest in the Securities so as to effect delivery to and possession by the Creditor of those securities.

7. COLLECTION OF DEBTS

7.01 Before or after default under this Security Agreement, the Creditor may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on the Collateral to the Creditor. The Debtor acknowledges that any payments on or other proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by the Debtor in trust for the Creditor and shall be turned over to the Creditor upon request.

8. INCOME FROM AND INTEREST ON THE COLLATERAL

8.01 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Creditor receives any such monies prior to default, the Creditor shall either credit same against the Indebtedness or pay the same promptly to the Debtor.

8.02 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies without any request by it, the Debtor will pay the same promptly to the Creditor.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

9.01 Whether or not default has occurred, the Debtor authorizes the Creditor:

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with accordingly; and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.

9.02 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor will deliver the same promptly to the Creditor to be held by the Creditor as herein provided.

10. DISPOSITION OF MONIES

10.01 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Creditor pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Creditor deems best in its sole discretion or, at the opinion of the Creditor, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Creditor hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

11.01 The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Creditor;

- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* or otherwise;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Creditor to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Creditor at or prior to the time of such execution.

12. ACCELERATION

12.01 The Creditor, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or, if the Creditor in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Creditor with respect to Indebtedness which may now or hereafter be

hereafter be payable on demand.

13. REMEDIES

13.01 Upon default, the Creditor may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Creditor or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Creditor, and the Creditor shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situate, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Creditor, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Creditor. Every such Receiver may, in the discretion of the Creditor, be vested with all or any of the rights and powers of the Creditor.

13.02 Upon default, the Creditor may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.

13.03 The Creditor may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Creditor may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Creditor may seem reasonable.

13.04 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Creditor and in addition to any other rights the Creditor may have at law or in equity, the Creditor shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Creditor shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, the Creditor shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or Proceeds and whether or not in the Creditor's possession, and shall not be liable or accountable for failure to do so.

13.05 The Debtor acknowledges that the Creditor or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Creditor or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.

13.06 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Creditor or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Creditor or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.

13.07 Unless the Collateral in question is perishable, the Creditor believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Creditor will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the P.P.S.A.

14. MISCELLANEOUS

14.01 The Debtor hereby authorizes the Creditor to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Creditor may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Creditor the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

14.02 Without limiting any other right of the Creditor, whenever Indebtedness is immediately due and payable or the Creditor has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Creditor may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Creditor in any capacity, whether or not due, and the Creditor shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Creditor's records subsequent thereto.

14.03 Upon the Debtor's failure to perform any of its duties hereunder, the Creditor may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Creditor,

forthwith upon written demand therefor, an amount equal to the expense incurred by the Creditor in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 21% per annum.

14.04 The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Creditor may see fit without prejudice to the liability of the Debtor or the Creditor's right to hold and realize the Security Interest. Furthermore, after default, the Creditor may demand, collect and sue on the Collateral in either the Debtor's or the Creditor's name, at the Creditor's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting the Collateral.

14.05 No delay or omission by the Creditor in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Creditor may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Creditor granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

14.06 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any Instrument constituting the Collateral at any time held by the Creditor on which the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Creditor.

14.07 This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal legal representatives, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Creditor. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

14.08 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

14.09 Subject to the requirements of section 13.07 hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party.

Either party may notify the other pursuant hereto of any change in such party's address to be used for the purposes hereof.

14.10 This Security Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Creditor and is, and is intended to be, a continuing Security Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Security Agreement is discharged. If all of the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all of its obligations under this Security Agreement and is not then in default hereunder, then the Creditor shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.

14.11 The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

14.12 When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependant upon the person referred to being a male, female, firm or corporation.

14.13 In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

14.14 Nothing herein contained shall in any way obligate the Creditor to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

14.15 The Security Interest created hereby shall attach when this Security Agreement is signed by the Debtor and delivered to the Creditor. The Debtor and the Creditor acknowledge that value has been given and the Debtor has rights in the Collateral.

14.16 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "**Debtor**" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:

- (a) shall extend to "**Collateral**" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "**Collateral**" thereafter owned or acquired by the amalgamated company; and
- (b) shall secure the "**Indebtedness**" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Creditor at the time of amalgamation and any "**Indebtedness**" of the amalgamated company to the Creditor

of amalgamation and any "Indebtedness" of the amalgamated company to the Creditor thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.


14.17 This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

15.01 The Debtor hereby acknowledges receipt of a copy of this Security Agreement and all financing statements in respect hereof. In the event that the Creditor pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Creditor from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement as of the 21st day of February, 2012.

**BOGDON & GROSS FURNITURE COMPANY
LIMITED**

By:  c/s
Name: Adam Hofmann
Title: President
(Authorized Signing Officer)

SCHEDULE "A"
to the foregoing General Security Agreement

Encumbrances

Security interests perfected by registration under P.P.S.A. as of the date of the foregoing General Security Agreement under the following:

1. File number 631110078 in favour of Barbara Bogdon;
2. File number 632287908 in favour of Wajax Finance Ltd.;
3. File numbers 635105259, 644391909, 658103868 and 658957338 in favour of Capital Underwriters Inc.;
4. File numbers 640691199 and 642011157 in favour of Wells Fargo Equipment Finance Company/Societe de Financement D'Equipement Wells Fargo;
5. File number 648512829 in favour of 2110785 Ontario Inc.;
6. File number 650872224 in favour of R & M Nelson Holdings Ltd.;
7. File number 658192329 in favour of RPG Receivables Purchase Group Inc.;
8. File number 659528658 in favour of Xerox Canada Ltd.;
9. File number 660902418 in favour of Blue Chip Leasing Corporation;
10. File numbers 665710695 and 669858912 in favour of CIT Financial Ltd.;
11. File number 667201878 in favour of Saugeen Economic Development Corporation;
12. File number 668912913 in favour of VW Credit Canada Inc.;
13. File numbers 671594598 and 671594661 in favour of R&D Capital Inc.; and
14. File number 674101845 in favour of National Leasing Group Inc.

SCHEDULE "B"
to the foregoing General Security Agreement

1. Business Locations

75 Ridout Street, Walkerton, Ontario N0G 2V0

2. Location of Records relating to Collateral

75 Ridout Street, Walkerton, Ontario N0G 2V0

3. Locations of Collateral

75 Ridout Street, Walkerton, Ontario N0G 2V0

This is Exhibit "J" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

Properties

PIN 33198 - 0287 LT *Interest/Estate* Fee Simple
Description LT 2-12 PL 140; DORLAND ST, SHIELDS ST PL 140 CLOSED BY WK4779; LT 2-6,
12-13, 7-8 BLK B PL 106; PT LT 1 PL 140 AS IN R54132 & R28616; PT LT 21-22
CON 2 SDR BRANT AS IN R55876, WK13381; PT LT 9-11 BLK B PL 106; PT ST.
JOSEPH ST PL 106 CLOSED BY WK4779 AS IN WK14045 EXCEPT PT 2, 3R4068,
EXCEPT LT 7-8 BLK B PL 106 & EXCEPT PT 1 3R8588; S/T R233229; MUNICIPALITY
OF BROCKTON
Address 75 RIDOUT STREET
WALKERTON

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name BOGDON & GROSS FURNITURE COMPANY LIMITED
Address for Service 75 Ridout Street
Walkerton, ON N0G 2V0

I, Adam Hofmann, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name TCE CAPITAL CORPORATION
Address for Service 505 Consumers Road, Suite 707
Toronto, ON M2J 4V8

Statements

Schedule: See Schedules

Provisions

Principal \$500,000.00 *Currency* CDN
Calculation Period See schedule.
Balance Due Date See schedule
Interest Rate See schedule.
Payments
Interest Adjustment Date
Payment Date See schedule.
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Signed By

Richard Edward Coles 365 Bay Street Suite 400 acting for Chargor Signed 2012 02 24
Toronto (s)
M5H 2V1
Tel 4168681300
Fax 4168611147

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

HUGHES DORSCH GARLAND COLES LLP 365 Bay Street Suite 400 2012 02 24
Toronto
M5H 2V1

LRO # 3 Charge/Mortgage

Registered as BR62571 on 2012 02 24 at 11:48

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 4

Submitted By

Tel 4168681300

Fax 4168611147

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

SCHEDULE

1. The Chargor hereby charges the lands and premises described in this Charge (the "Property") to the Chargee as collateral security for payment on demand of all present and future indebtedness and liabilities of the Chargor to the Chargee, whether direct or indirect, absolute or contingent, matured or not, including without limitation all present and future indebtedness and liabilities of the Chargor under a certain factoring agreement between the Chargee and the Chargor and Adam Hofmann dated February 21, 2012 and under a certain promissory note to be given by the Chargor to the Chargee in the principal amount of \$300,000.00, as amended from time to time, or any renewal or replacement thereof (collectively, the "Indebtedness") in an amount not exceeding the principal amount set out in this Charge together with interest at a rate not exceeding 21% per cent per annum (the "Interest Rate") and performance of the Chargor's other obligations under this Charge.
2. This Charge shall be a general and continuing collateral security for payment of the Indebtedness and performance of the Chargor's other obligations under this Charge notwithstanding any fluctuation or change in the amount, nature or form of the Indebtedness or in the documentation or security now or later held by the Chargee with respect to the Indebtedness, or in the names of the parties to any such documents or security, and notwithstanding the fact that there may be no Indebtedness outstanding at any particular time, and this Charge shall not be deemed to have been redeemed or become void or discharged as a result of any such event or circumstance.
3. This Charge is in addition to and not in substitution for any other security now or later held by the Chargee for all or any part of the Indebtedness. This Charge shall not create any merger or discharge any or all of the Indebtedness or any other debt owing to the Chargee or any other document or security now or later held by the Chargee. This Charge shall not affect any other security now or later held by the Chargee for the Indebtedness or the liability of any person or any of the Chargee's remedies with respect to the Indebtedness. The taking of a judgment or judgments against the Chargor in respect of any of the agreements or obligations in this Charge or in respect of all or any part of the Indebtedness or otherwise shall not operate as a merger of any such agreements or obligations or of all or any part of the Indebtedness or of the security created by this Charge and shall not affect the security created by this Charge or the Chargee's right to pursue any other remedies or to enforce the Chargor's other obligations or the Chargee's right to interest on the Indebtedness at the Interest Rate. Any such judgment may provide that interest thereon be computed at a maximum interest rate equal to the Interest Rate until such judgment is fully paid and satisfied.
4. Payments or other monies received by the Chargee may be applied by it on any part of the Indebtedness determined by it from time to time.
5. This Charge shall in no way prejudice or otherwise affect any right the Chargee may have independently of this Charge to recover all or any part of the Indebtedness from the Chargor and, if the Indebtedness exceeds the principal amount set out in this Charge, the Chargee may conclusively determine which part of the Indebtedness not exceeding such amount shall be secured by this Charge.
6. The obligation of the Chargor or any other person to pay the Indebtedness, and the Chargee's rights or remedies hereunder or otherwise, shall not be affected by any increase, reduction, discontinuation or variation of the Chargor's commercial arrangements, any extension of time or other indulgence, any taking or giving up of securities or abstaining from taking, perfecting or registering security, any acceptance of compositions or proposals, granting releases and discharges, or otherwise dealing with the Chargor or any other persons or securities as the Chargee may see fit. The Chargee may delay enforcing any of its rights under this Charge or any other document relating to the Indebtedness without losing or impairing such rights, and may waive any breach of the Chargor's obligations under this Charge or any such document without affecting the Chargee's rights in respect of any other existing breach or any subsequent breach of the same or a different nature. No such waiver shall be effective unless made in writing and signed by an officer of the Chargee. The Chargee may release others from any liability to pay all or any part of the Indebtedness without

releasing the Chargor. The Chargee may release its interest under this Charge in all or any part of the Property whether or not the Chargee receives any value and shall be accountable to the Chargor only for monies which the Chargee actually receives. If the Chargee releases its interest in part of the Property, the remainder of the Property shall continue to secure the Indebtedness in an amount not exceeding the principal amount set out in this Charge, and the Chargor's obligation under this Charge will continue unchanged. No sale or other dealing with all or any part of the Property and no amendment of this Charge or any other security or document relating to the Indebtedness shall in any way affect the obligation of the Chargor or any other person to pay the Indebtedness.

7. Wherever and to the extent that any provision of this schedule is inconsistent with the provisions of the standard charge terms incorporated in this Charge, or with the covenants deemed to be included in this Charge by the *Land Registration Reform Act* (Ontario), the respective provision of this schedule shall prevail.

8. Any default by the Chargor or any other person under any document or security relating to the Indebtedness shall constitute a default under this Charge. Any default under this Charge shall constitute a default under any document or security relating to the Indebtedness.

9. On payment in full of the Indebtedness and all other amounts secured by this Charge and performance of all other obligations of the Chargor hereunder, and on payment of the Chargee's reasonable discharge fee, the Chargee shall execute and deliver to the Chargor a discharge of this Charge.

10. If the Chargor should sell, transfer or further encumber the Property, then at the option of the Chargee and notwithstanding anything to the contrary in this Charge or in any other documents relating to the Indebtedness, the full amount of the Indebtedness shall immediately become due and payable at the option of the Chargee.

This is Exhibit "K" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

LOAN AGREEMENT

On the basis of the information provided to us in support of an application for loan assistance we, SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION (hereinafter referred to as "the Lender"), hereby grant the following loan to 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED (hereinafter referred to as "the Borrowers") on the terms and conditions hereinafter set forth:

LENDER	-	SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION [as to a Fifty Per Cent (50%) interest each]
BORROWERS	-	2110785 ONTARIO INC., Adam Hofmann (President), and BOGDON & GROSS FURNITURE COMPANY LIMITED, Adam Hofmann (President)
LOAN AMOUNT	-	\$300,000.00
INTEREST RATE	-	8.50% calculated semi-annually, not in advance
TERM	-	5 years
AMORTIZATIION	-	10 years

1. REPAYMENT TERMS

Blended payments of principal and interest in the amount of THREE THOUSAND SIX HUNDRED & NINETY-SIX DOLLARS and EIGHT CENTS (\$3,696.08) due and payable on the last day of each and every month, with interest computed from November 30, 2006 and payments commencing December 31, 2006 and continuing thereafter until November 30, 2011 on which date the full amount of principal and any accrued interest shall fall due and become payable. The said monthly instalment payments are to be made in two equal shares of ONE THOUSAND EIGHT HUNDRED & FORTY-EIGHT DOLLARS and FOUR CENTS (\$1,848.04) made payable to each of SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION with default in respect of either payment constituting default on both.

2. SECURITY AND OTHER PROVISIONS

In consideration of and prior to the Lender advancing the funds herein referred to, the Borrowers hereby agree to the following:

- MORTGAGE/CHARGE OF LAND: Bogdon and Gross Furniture Co. Ltd. shall execute a first *Charge/Mortgage of Land* on the terms shown in *Schedule "A"* hereto. It is hereby acknowledged and agreed by the Borrower that save and except for the *Charge/Mortgage of Land* registered in favour of Meridian Credit Union Limited on June 7, 2005 in the amount of \$500,000.00 as Instrument Number R395705, which said *Charge/Mortgage of Land* is to be postponed to the *Charge/Mortgage of Land* to be registered by the Lender, all existing *Charges/Mortgages of Land* registered against the lands and premises described in *Schedule "A"* shall be discharged prior to or concurrently with the advancement of any funds under the terms of this Loan Agreement.
- DEMAND PROMISSORY NOTE: The Borrowers to sign a *Demand Promissory Note* as per *Schedule "B"* attached hereto.
- GUARANTEE OF DEBT REPAYMENT: The Borrowers to execute a *Guarantee of Debt Repayment* as per *Schedules "C"* attached hereto.

- INDEPENDENT LEGAL REPRESENTATION: The Borrowers to obtain Independent Legal Representation with respect to the negotiation and completion of the Loan Transaction contemplated herein. The Borrowers and Guarantors are to provide the Lender with *Certificates of Independent Legal Representation* to be signed in the form as set out in Schedules "D" and "E" attached hereto.
- ASSIGNMENT OF LIFE INSURANCE PROCEEDS: The President of the Borrower Corporations, namely ADAM HOFMANN, is to provide an *Assignment of Life Insurance Policy* payable on the death of ADAM HOFMANN with the each of SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION as beneficiary in equal shares and in an amount of not less than \$300,000.00. The Lender will apply any proceeds received from the Life Insurance Policy to pay any debt owing to the Lender by the Borrowers at the time of the payment of the death benefit with respect to the said Life Insurance Policy payable on the death of ADAM HOFMANN. Any surplus of proceeds on the Life Insurance Policy will be paid to the Estate of Adam Hofmann or as may be further directed by ADAM HOFMANN.
- LEGAL STATUS OF BORROWERS: The Borrowers to provide a copy of the *Articles of Incorporation* and current *Corporate Status Reports*.
- LEGAL AUTHORIZATION TO BORROW: The Borrowers to provide a *Resolution of the Board of Directors* of 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED, which shall be ratified and consented to by all of the Shareholders of each Borrower Corporation, indicating the ability to borrow funds and give security by way of a Promissory Note and Guarantee, and shall include the authority of ADAM HOFMANN, as President, or some other Officer of the Corporation to execute all documents required to give effect thereto.
- POSTPONEMENT OF CLAIMS AND DEBTS: Any and all Shareholders of 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED shall provide a *Postponement of Claims or Debts* owed to them by 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED, respectively, as the case may be.
- PROOF OF OWNERSHIP OF THE BORROWER CORPORATION: The Borrowers shall provide a copy of the *Shareholder's Register* together with an executed *Declaration* confirming that the Shareholder's Register is current and up-to-date and that all Shareholders have executed a *Postponement of Claims or Debts*.
- ASSIGNMENT OF FIRE/PROPERTY DAMAGE/LOSS INSURANCE PROCEEDS: The Borrowers to provide a *Fire/Property Damage/Loss Insurance Binder* providing insurance coverage that is satisfactory to the Lender with an *Assignment of Fire Insurance and Property Damage/Loss Proceeds* payable on loss of any or all Buildings located at the Lands described in Schedule "A" with loss payable to the Lender as first Mortgagee.
- PROOF OF COMMERCIAL LIABILITY INSURANCE: The Borrowers will provide evidence that an appropriate policy of *Commercial Liability Insurance* is in place with minimum liability payable per claim of at least ONE MILLION DOLLARS (\$1,000,000.00).
- PROOF OF INDIVIDUALS NAMES and LEGAL STATUS: ADAM HOFMANN to provide the Lender with a copy of *driver's license and birth certificate* as proof of legal name for all parties signing any document related to this loan agreement.
- DISCLOSURE OF FINANCIAL RECORDS: The Borrowers will provide the Lender with a copy of current *Aged List of Accounts Payable, Aged List of Accounts Receivable, Income Statement and Balance Sheet*.

3. ONGOING TERMS AND CONDITIONS:

- NSF PAYMENTS: Applicable penalties and costs are as outlined in the *Additional Provisions Schedule* attached hereto. NSF payments are subject to a THIRTY DOLLAR (\$30.00) Administration Fee.
- APPLICATION OF PAYMENTS: Payments to be applied firstly towards any penalties and costs incurred by the Lender and then to the outstanding interest and finally towards the reduction of principal.
- ANNUAL FINANCIAL DOCUMENTATION: The Borrowers will provide the Lender with Annual Unaudited Financial Statement prepared by a Chartered Accountant licensed to practice in Ontario to be provided within ninety (90) days after year end. If statements are not provided within this time period, Saugeen Economic Development Corporation will be eligible to charge a TWO HUNDRED DOLLAR (\$200.00) Administration Fee to review credit position in addition to entitlement to Financial Statements.
- BUSINESS INFORMATION & ACCESS TO RECORDS: The Borrowers will provide the Lender with such business and other information as may be required from time to time, including without limitation, access to the Borrower's place of business for the purpose of inspecting the operation and to its' banker, accountant or bookkeeper to fully disclose to the Lender information concerning the Borrower's affairs, finances, accounts at all time and as often as the Lender may request.
- QUARTERLY FINANCIAL DOCUMENTATION: The Borrowers will provide the Lender with an Aged List of Accounts Receivable and Accounts Payable, Income Statement, and a Balance Sheet on a quarterly basis. This information is to be provided within thirty-one (31) calendar days following each month end of the relative quarter.
- DISCLOSURE OF INFORMATION TO REVENUE CANADA: The Borrowers acknowledge that they are aware that the Government of Canada is allowed access to the client files held by the Lender for reporting, monitoring and evaluation purposes. The Lender's clients may be contacted from time to time by the Government of Canada in order to effectively evaluate the performance of the Lender and the Lender's clients will be encouraged to cooperate by providing information on assistance provided to them by the lender. All information and documentation provided to the Lender and Government of Canada will be held in confidence.
- COMPLIANCE WITH LAWS: The Borrowers shall comply with all federal, provincial, territorial, municipal and other applicable laws governing the Borrowers, including but not limited to, statutes, regulations, by-laws, ordinances and decrees. The foregoing includes any legal requirements and regulations relating to environmental protection.

4. SPECIAL CONDITIONS

- 1) TRANSFER OF SECURED ASSETS BEFORE FINAL ADVANCEMENT: This Loan Agreement becomes void and all funds advanced become immediately due and payable, together with applicable interest, penalties and fees, if at any time prior to or after the advancement of any or all funds loaned in accordance herewith the Borrower sells or otherwise transfers, except in the course of its day to day business operations, any of the Borrower's business assets or any other assets secured or intended to be secured by this Loan Agreement including any security given in accordance with the *Schedules* attached hereto.

- 2) **LENDER'S LEGAL COSTS:** The Borrowers will be responsible for all costs, incurred by the Lender to process the loan and complete all legal services required to give effect to the security pledged in accordance with the terms of this Loan Agreement.
- 3) **LENDER'S CREDIT INVESTIGATION & SECURITY REGISTRATION COSTS:** The Borrowers will pay any fees incurred for credit investigation (Credit Bureau), *Personal Property Security Act* searches and *Personal Property Security Act* security registrations, Land Registry searches and registration fees, Appraisals, Letters of Opinion, and any and all other costs associated with the undertaking of this Loan Agreement.
- 4) **CHANGE IN SHAREHOLDERS:** The Borrowers shall provide the Lender with written notification of any contemplated change in the Shareholders at least SIXTY (60) DAYS prior to any such change in Shareholders. The written consent of the Lender must be obtained prior to any such change in the Shareholders of the Borrower having occurred.
- 5) **ACKNOWLEDGEMENT OF DEBT OBLIGATIONS BY NEW SHAREHOLDERS:** Any new Shareholders of the Borrowers must Acknowledge and Guarantee in writing the full outstanding loans/debts owed to the Lender or to an amount and extent agreeable by the Lender. In the event that any new Shareholder of the Borrower is unable or unwilling to provide such a written Acknowledgement and Guarantee to the Lender, then the full amount of loan then outstanding, together with accrued interest, applicable penalties and fees, shall become due and payable within THIRTY (30) DAYS of any such individual or person becoming a new Shareholder of the Borrower.
- 6) **PREPAYMENT PRIVILEGES:** Prepayment of principal shall be permitted at any time or times, on NINETY (90) DAYS written notice with no bonus, or with NINETY (90) DAYS interest bonus if written notice is less than NINETY (90) DAYS.

5. COVENANTS (POSITIVE AND NEGATIVE)

The Borrowers and Guarantor agree that any and all of them shall not in any way participate or authorise any of the following actions being taken by the Borrowers or Guarantor, as the case may be, without the written consent of the Lender:

- (a) Increase salaries or draws of any Officers or employees of the Borrowers;
- (b) Create or issue any further shares or classes of shares by the Borrowers;
- (c) Sell any capital assets of the Borrower or any other assets specifically secured in accordance with this Loan Agreement;
- (d) The Borrowers shall not make capital expenditures in any fiscal period in excess of FIFTY THOUSAND DOLLARS (\$50,000.00) except as contemplated from the advancement of the funds in accordance with this Loan Agreement;
- (e) The Borrowers shall not make any borrowings whether ranking prior to or subsequent to the this Loan Agreement or the Lender's Security Interests taken in accordance therewith;
- (f) The Borrowers shall not pay out Dividends to its Shareholders;
- (g) The Borrowers shall not allow the transfer of its Shares or other interests; and
- (h) The Borrowers shall not create any further encumbrment on the Lands and Premises described in *Schedule "A"*.

6. CANCELLATION

The Lender reserves the right to demand repayment of the Loan or any outstanding debt owed to them by the Borrowers at any time should any of the aforementioned terms, conditions or covenants not be kept or are breached or abridged or should, in the Lender's sole discretion and opinion, there be:

- (a) A material adverse change in risk that occurs at any time;
- (b) The Borrowers have not drawn the entire loan within THIRTY (30) DAYS of the date of its authorization by the Lender; or
- (c) The Borrowers relocate its business premises outside the area serviced by the Lender.

7. LEGAL REPRESENTATION

The solicitor for the Lender for the purpose of this transaction is Kevin McMeeken of Halpin & McMeeken Law Office, who shall prepare all necessary documentation and make all required investigations and searches on their behalf. All costs associated therewith shall be borne by the Borrowers.

DATED at Hanover, Ontario this 30th day of November, 2006.

SAUGEEN ECONOMIC DEVELOPMENT CORPORATION

PER:
Rose M. Austin (Business Manager)

DATED at Wabkeon, Ontario this 30 day of November, 2006.

BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION

PER:
Mary E. Graham (General Manager)

I hereby accept the above proposal on the terms and conditions contained therein.

Dated at Wabkeon Ontario this 30 day of November, 2006.

2110785 ONTARIO INC.

Witness as to the Signature of:
Adam Hofmann

PER: [Signature]
ADAM HOFMANN, President
I have authority to bind the Corporation

BOGDON & GROSS FURNITURE COMPANY LIMITED

Witness as to the Signature of:
Adam Hofmann

PER: [Signature]
ADAM HOFMANN, President
I have authority to bind the Corporation

One executed copy of this proposal must be returned to each of the Saugeen Economic Development Corporation and BRUCE Community Development Corporation.

SCHEDULE 'A'DESCRIPTION OF MORTGAGED LANDS AND PREMISES

CHARGOR: BOGDON & GROSS FURNITURE COMPANY LIMITED

GUARANTOR: NONE

MAILING ADDRESS: 75 Ridout Street
Walkerton, Ontario N0G 2V0

LEGAL DESCRIPTION: Lot 2 - 12 Plan 140, Dorland Street, Shields Street
Plan 140 closed by WK4779;
Lot 2 - 6, 12 -13, 7 - 8, Block B, Plan 106;
Part Lot 1, Plan 140 as in Instrument Number R54132
and R28616;
Part Lot 21 - 22 Concession 2 SDR, Brant, as in
Instrument Number R55876 and WK13381;
Part Lot 9 - 11, Block B, Plan 106;
Part of St. Joseph Street, Plan 106 closed by
WK4779 as in Instrument Number WK14045 except Part
2 on Reference Plan 3R4068;
and subject to R233229;
all in the Municipality of Brockton, County of
Bruce, Province of Ontario
Being all of the PIN 33198-0029 (LT)

PRIORITY OF LENDER'S MORTGAGE/CHARGE OF LAND: First

SCHEDULE "B"

DEMAND PROMISSORY NOTE

AMOUNT: \$300,000.00

DATED: November 30, 2006

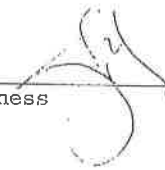
FOR VALUE RECEIVED, the undersigned jointly and severally promises to pay to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation the sum of ----- THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) ----- (hereinafter called the "principal") with interest thereon at EIGHT and ONE HALF (8.5%) per annum calculated semi-annually not in advance (as well after as before maturity and both before and after default) and payable monthly, in equal monthly installments of principal and interest from November 30, 2006 to and including November 30, 2011 when the balance, if any, of the principal and interest thereon shall also become due and payable.

In case the said installments, or any of them, are not paid as the same become due, the whole unpaid principal and interest accrued shall forthwith become due and payable at the option of the holder of this note. In the event that the undersigned shall fail to make any of the payments above provided for, the undersigned promises to pay interest at the annual percentage rate expressed above on each such defaulted payment from the date of default until payment of the whole amount owing is made.

When not in default hereunder the undersigned shall have the right to repay all or any of the principal then outstanding at any time on 90 days written notice, or with 90 days interest penalty if notice is less than 90 days, provided that any partial prepayments shall be applied in inverse order of maturity.

Notwithstanding any prepayment on account of the principal money hereby secured the aforesaid monthly installments of interest shall continue to fall due and become payable in accordance with the terms of this note so long as any part of the principal sum hereby secured remains unpaid.

If the undersigned fails to pay an installment on its due date the balance of principal with accrued interest on this note shall become due and payable.



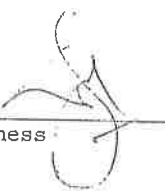
Witness

2110785 ONTARIO INC.
Per:



ADAM HOFMANN, President

I have authority to bind the Corporation



Witness

BOGDON & GROSS FURNITURE COMPANY LIMITED
Per:



ADAM HOFMANN, President

I have authority to bind the Corporation

SCHEDULE "C"

GUARANTEE OF DEBT REPAYMENT

TO: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION

WHEREAS you have entered into a Loan Agreement with 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED (hereinafter called the "Borrowers")

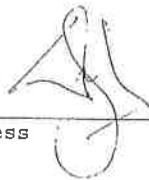
AND WHEREAS a condition of lending the funds to the Borrowers you have demanded security as hereunder written.

NOW THEREFORE in consideration of you lending funds to the Borrower, either continuously or intermittently, so long as you may see fit and of such advances as you may make to the Borrower, we and each of us hereby jointly and severally guarantee the due payment and discharge of all liabilities to you of the Borrower howsoever incurred including without limitation hereto the repayment of all moneys advanced or which may be advanced by you to the Borrower and all liabilities direct or indirect to which you may become subject as a result of making advances to or dealing with the Borrower and also payment of all moneys which are now or shall at any time or from time to time hereafter become liable to you either directly or indirectly, whether matured or not, whether alone or jointly with others, and whether as principal or surety and whether absolute or contingent, and all interest, commission, costs, charges and expenses which may be incurred in respect of such advances or liabilities or any securities therefore.

Provided that no sum in excess of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00), together with interest at the rate or rates payable by the Borrower and accruing both before and after the date of demand and also including any penalties and fees applicable to the Borrower and the shall be as equally payable by the undersigned and shall be recoverable from the undersigned in accordance with the terms and conditions applicable to the Borrower and hereunder.


IN WITNESS WHEREOF the undersigned has hereto set his hand and seal this 30th day of November, 2006.

SIGNED, SEALED and DELIVERED in the presence of



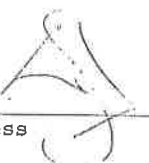
Witness

2110785 ONTARIO INC.
Per:



ADAM HOFMANN, President

I have authority to bind the Corporation.



Witness

BOGDON & GROSS FURNITURE COMPANY LIMITED
Per:



ADAM HOFMANN, President

I have authority to bind the Corporation.

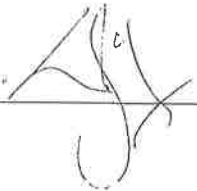
SCHEDULE "D"


ACKNOWLEDGEMENT OF INDEPENDENT LEGAL REPRESENTATION
(Corporation Borrower)

I, ADAM HOFMANN, as President for the Corporations, 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED, acknowledge the recommendation made by Rose Austin, Business Manager, of the Saugeen Economic Development Corporation and Mary Graham, General Manager, of Bruce Community Futures Development Corporation to seek Independent Legal Representation regarding financing arrangements of 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED through Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation.

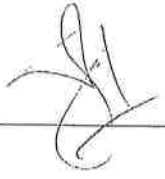
I have received Independent Legal Representation on behalf of the Borrower, 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED, from Heenan Blaikie LLP, Barrister & Solicitor, and by executing this Certificate in the presence of M.W. Boyd, I hereby certify that 2110785 ONTARIO INC. and BOGDON & GROSS FURNITURE COMPANY LIMITED have received Independent Legal Representation regarding the said financing arrangements.


DATED at Walkerton, Ontario this 30th day of November, 2006.

Witness 

2110785 ONTARIO INC.
PER: 
ADAM HOFMANN, President

I have authority to bind the Corporation.

Witness 

BOGDON & GROSS FURNITURE COMPANY LIMITED
PER: 
ADAM HOFMANN, President

I have authority to bind the Corporation.

BR246.
CERTIFICATE OF RECEIPT
BRUCE (3) WALKERTON

DEC 01 2006 16:25

J. Arnold
 LAND REGISTRAR

New Property Identifiers

Additional: See Schedule

Executions

Additional: See Schedule

(1) Registry Land Titles (2) Page 1 of _____ pages

(3) Property Identifier(s) Block 33198-0029 Property (LT) Additional: See Schedule

(4) Principal Amount Three Hundred Thousand ----- 00/100 Dollars \$300,000.00

(5) Description
 Lot 2 - 12, Plan 140; Dorland Street, Shield Street, Plan 140, Closed by WK4779; Lot 2-6, 12-13, 7-8, Block B, Plan 106; Part Lot 1, Plan 140, as in R54132 & R28616; Part Lot 21-22, Conc. 2, S.D.R. Brant as in R55876, WK13381; Part Lot 9-11, Block B, Plan 106; Part St. Joseph Street, Plan 106, Closed by WK4779 as in WK14045, except Part 2, 3R-4068; S/T R233229; Brockton, County of Bruce

Being the whole of the PIN.

(6) This Document Contains (a) Redescription New Easement Plan/Sketch (b) Schedule for: Description Additional Parties Other (7) Interest/Estate Charged Fee Simple

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number 9320 and the Charge(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions

(a) Principal Amount	\$300,000.00	(b) Interest Rate	8.50% per annum	(c) Calculation Period	Semi-annually, not in advance
(d) Adjustment Date	2006 11 30	(e) Payment Date and Period	Last day, Monthly	(f) First Payment Date	2006 12 30
(g) Last Payment Date	2011 11 30	(h) Amount of Each Payment	Three Thousand, Six Hundred and Ninety-Six ----- 08/100 Dollars \$3,696.08		
(i) Balance Due Date	2011 11 30	(j) Insurance	Full Insurable Value		Dollars \$XXXXXX

(10) Additional Provisions

Continued on Schedule

(11) Chargor(s) The chargor hereby charges the land to the charge and certifies that the charge is a true and correct copy of the original and that the charge is not subject to any other charge or encumbrance.

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s) BOGDON & GROSS FURNITURE COMPANY LIMITED

Signature(s) *[Signature]* Date of Signature Y M D 2006 11 30

Per: Adam Hofmann, President

I have authority to bind the Corporation.

(12) Spouse(s) of Chargor(s) I hereby consent to this transaction.

Name(s) GUARANTOR

21.10785. ONTARIO INC.

Signature(s) *[Signature]* Date of Signature Y M D 2006 11 30

Per: Adam Hofmann, President

I have authority to bind the Corporation.

(13) Chargor(s) Address for Service 75 Ridout Street Walkerton, Ontario N0G 2V0

(14) Chargee(s)

SAUGBEN ECONOMIC DEVELOPMENT CORPORATION (as to a 50% interest)

BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION (as to a 50% interest)

(15) Chargee(s) Address for Service 554 7th Avenue, Hanover, Ontario N4N 2J7 281 Durham Street, Box 208, Kincardine, Ontario N2Z 2Y7

(16) Assessment Roll Number of Property Multiple

(17) Municipal Address of Property 75 Ridout Street Walkerton, Ontario N0G 2V0

(18) Document Prepared by: HALPIN & McMEEKEN Law Office 478 Tenth Street Hanover, Ontario N4N 1R1 File # 06-318

Fees	
Registration Fee	
Total	

ADDITIONAL PROVISIONS

PROVIDED THAT in the event of the Borrower selling or agreeing to sell or otherwise disposing of the aforesaid lands and premises or part thereof, the whole of the principal sum then remaining unpaid together with interest shall, notwithstanding the other provisions of the Charge, forthwith become due and payable at the option of the Lender.

PROVIDED THAT when not in default hereunder, the Borrower shall have the right to repay all or any of the principal then outstanding at any time on ninety (90) days' written notice delivered to the Lender, or with ninety (90) days' interest penalty if written notice is less than ninety (90) days, provided that any partial prepayments shall be applied in inverse order of maturity.

PROVIDED THAT in the event of any Charge/Mortgage of Land payment being returned from the Borrower's Financial Institution marked "Non Sufficient Funds" or for any other reason, the Lender shall be entitled to charge an administration fee in the amount of \$30.00.

ASSIGNMENT, POSTPONEMENT AND SUBORDINATION AGREEMENT

TO: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION

WHEREAS Saugeen Economic Development Corporation has agreed to provide certain credit facilities to 2110785 Ontario Inc. and Bogdon & Gross Furniture Company Limited. (the "Borrowers") on the terms and conditions set out in a Loan Agreement dated the 30th day of November, 2006, between the Borrowers and Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation as the same may be amended, modified or replaced (the "Loan Agreement");

AND WHEREAS the execution and delivery of this Agreement is a condition precedent to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation extending credit to the Borrowers under the Loan Agreement.

NOW, THEREFORE, in consideration of Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation granting the credit facilities to the Borrowers and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned shareholders of the Borrowers (each of whom is hereafter called the "Subordinator"), agrees and undertakes as follows:

1. Postponement, Subordination and Assignment

From the date hereof and until such time as all indebtedness, obligations and liabilities of the Borrowers to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation under the Loan Agreement or arising under any other

agreement between Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation and the Borrowers are repaid in full, the Subordinator agrees:

- (a) To postpone the payment and satisfaction by the Borrowers of all shareholder loans, dividends and other rights to withdraw capital now or hereafter due and owing by the Borrowers to the Subordinator and all interest accruing thereof (the "Subordinated Obligations") in favour of Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation and to subordinate the Subordinated Obligations to all indebtedness, liabilities and obligations of the Borrowers to Saugeen Economic Development Corporation;
- (b) To assign and transfer to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation as security for the Subordinated Obligations and all liabilities of the Borrowers to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation , all debts, demands and liabilities which are now due, owing or accruing due or may hereafter become due, owing or accruing due to the Subordinator by the Borrowers and also all securities and rights of any nature which now are or may hereafter be held by the Subordinator as collateral therefore and the same shall be deemed security granted by the Borrowers to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation ;
- (c) That except with Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation prior written consent, any monies owing or which may become owing by the Borrowers to the Subordinator and which constitutes the Subordinated Obligations, shall not be withdrawn,

transferred, pledged, encumbered, assigned or otherwise dealt with by the Subordinator but shall remain on the books of the Borrowers at all times for so long as any monies remain owing to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation by the Borrowers under the Loan Agreement or otherwise; and

- (d) Not to demand or accept payment of all or any part of the Subordinated Obligations.

2. Insolvency

In the event of the bankruptcy or winding up of the Borrowers or of any distribution of the assets of the Borrowers or proceeds thereof among its creditors in any manner whatsoever, Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation shall be entitled to receive the dividends payable in respect of the Secured Obligations, such dividends to be applied on such part or parts of the Borrowers' then indebtedness to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation as Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation shall deem fit until the whole of such indebtedness has been paid in full and thereafter the Subordinator shall be entitled to such dividends.

3. Subordinator consent to Registrations

The Subordinator hereby consents to the filing by Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation of financing statements, financing change statements or to any similar registrations or filing in any and all appropriate jurisdictions in respect of the postponement and subordination of the

Subordination Obligations granted herein, and the Subordinator shall, upon written request from Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation, undertake such registrations or filings in prescribed form. Further, to facilitate the filing by Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation of financing statements, financing change statements or similar registrations or filings, the Subordinator authorizes Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation or its solicitors to prepare, execute and file such documents as agent of the Subordinator. The Subordinator waives all rights to receive a copy of the financing statement, verification statement and any financing change statement relating thereto.

4. Subordinator as Trustee

In the event any payments are made by the Borrowers to the Subordinator in contravention of this Agreement, the Subordinator shall hold such payments in trust for Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation and shall forthwith pay such payments to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation.

5. General

- (a) The Subordinator shall, from time to time, and at all times hereafter do all things and execute all documents which Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation may deem necessary or desirable in order to give full effect to this Agreement.

- (b) The Subordinator acknowledges that he or she is benefited by Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation extending credit to the Borrowers.

6. Number, Gender and Expressions

Words importing the singular number shall include the plural and vice versa. Words importing the use of any gender shall include the masculine, feminine and neuter genders, and words importing natural persons shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

7. Governing Law and Attornment

The Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties agree that any action under or for the enforcement of this Agreement may be brought in the courts of the Province of Ontario and the parties attorn to the exclusive jurisdiction of those courts.

8. Enurement

This Agreement shall extend and enure to the benefit of and be binding upon Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation and the Subordinator and their respective successors and assigns.

9. SEDC Rights

The undersigned understand and agree that this Agreement shall not suspend or otherwise affect the present or future rights or remedies of Saugeen Economic Development

Corporation and Bruce Community Futures Development Corporation with respect to the present or future indebtedness or liability of the Borrowers to Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation with respect to the securities which Saugeen Economic Development Corporation and Bruce Community Futures Development Corporation now holds or may hereafter receive from the Borrowers as collateral to the said indebtedness and other liability.

IN WITNESS WHEREOF the parties hereto have executed this agreement this 30th day of November, 2006.

SIGNED, SEALED AND DELIVERED)
in the presence of)
)
)
)
)
Signature of Witness)
)

Adam Hofmann

This is Exhibit "L" referred to in the Affidavit of ADAM
HOFMANN sworn March 5, 2014

Commissioner for Taking Affidavits (or as may be)

LOAN AGREEMENT

This Loan Agreement is made between the parties hereto on this 24th day of February, 2012.

BETWEEN:

**SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**
(Hereinafter referred to as the 'LENDER')

PARTY OF THE FIRST PART
(Lender / Secured Party)

-and-

BOGDON & GROSS FURNITURE COMPANY LIMITED
(Hereinafter referred to as the 'BORROWER')

PARTY OF THE SECOND PART
(Borrower)

ARTICLE 1 - OFFER OF LOAN & ACKNOWLEDGEMENT OF OBLIGATIONS

- 1.1 **OFFER OF LOAN:** The Lender, under the auspices of Industry Canada's Community Futures Development Program, hereby offers to provide Business Loan Financing to the Borrower in accordance with the terms and conditions set forth herein this LOAN AGREEMENT, which shall include all Schedules, Security Instruments and other Documents executed by each Borrower in relation to completion of the within proposed transaction.
- 1.2 **CONSIDERATION:** The within Business Loan Financing is hereby proposed and granted by the Lender and accepted by the Borrower in consideration of the payment of **ONE --- 00/100 DOLLAR (\$1.00)** to each other together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party.
- 1.3 **DISCLOSURE OF FINANCIAL & OTHER INFORMATION:** Each Borrower hereby states that the financial and other information disclosed to the Lender for the purposes of completing the within Business Loan Financing transaction is true, complete and accurate.
- 1.4 **BENEFIT RECEIVED BY EACH BORROWER:** Each Borrower hereby acknowledges and agrees that he has or will receive a direct or indirect benefit, or both, as a result of the within Business Loan Financing transaction. Specifically, each Borrower acknowledges and agrees that such benefit will result from the financial, personal and emotional satisfaction and/or other gain that he anticipates to receive as a result of completion of the within Business Loan Financing transaction.
- 1.5 **JOINT & SEVERAL LIABILITY:** Each Borrower hereby acknowledges and agrees that he shall be personally responsible to perform all obligations owed to the Lender in accordance with the terms and conditions of the within LOAN AGREEMENT. Further, each Borrower hereby acknowledges and specifically agrees to be **jointly, severally & separately liable and responsible** to fulfill all repayment obligations owed to the Lender in accordance herewith.

- 1.6 **VOLUNTARY AGREEMENT:** Each Borrower hereby acknowledges that he has entered in to the within Business Loan Financing transaction and LOAN AGREEMENT voluntarily in an exercise of free will.
- 1.7 **TERMS & CONDITIONS:** Each Borrower hereby acknowledges that he has acquired complete understanding of all repayment and other obligations that may be owed to the Lender in accordance with the terms and conditions of the within LOAN AGREEMENT.
- 1.8 **ENFORCEMENT RIGHTS:** Each Borrower hereby acknowledges that he has acquired complete understanding of the manner in which the repayment and other obligations owed under the terms and conditions of the within LOAN AGREEMENT may be enforced against him personally and in absence of any enforcement actions being contemplated, taken or required to be taken against any other Borrower, Guarantor (*if applicable*) or person obligated to the Lender under the terms and conditions of the within LOAN AGREEMENT.
- 1.9 **ABSENCE OF UNDUE INFLUENCE:** Each Borrower hereby acknowledges that he has executed the within LOAN AGREEMENT, Schedules, Security Instruments and other related Documents as a result of his absolute free will in absence of any psychological or physical pressure or undue influence exercised against him by any other Borrower, the Lender or any other person.

ARTICLE 2 - LOAN ADVANCE & REPAYMENT PROVISIONS

- 2.1 **PRINCIPAL LOAN -** \$200,000.00
INTEREST RATE - 9.0%, calculated Monthly
INSTALMENTS - \$2,500.00 Princlpal Repayment
plus Accrued Interest
FREQUENCY - Monthly
TERM - 12 MONTHS
AMORTIZATION - Not Applicable

- 2.2 **BUSINESS EXCELLENCE TRAINING PROGRAM:** The Borrower hereby agrees to enrol and actively participate in the *Business Excellence Training Program* established by the Lender. The Borrower acknowledges having been provided with a copy of the *Summary Description Statement* relating to the *Business Excellence Training Program* currently being offered by the Lender.

The Borrower therefore acknowledges and agrees that upon completion of the within Business Loan Financing transaction, the Lender shall be advancing a separate and additional Loan in the amount TWO THOUSAND — 00/100 DOLLARS (\$2,000.00). The said additional Loan Funds shall be held and set aside in trust by the Lender for the purpose of assisting the Borrower in paying the costs incurred when participating in the said *Business Excellence Training Program* currently being offered, administered and implemented by the Lender.

- 2.3 **DISBURSEMENT OF LOAN FUNDS:** Each Borrower and Guarantor (*if applicable*) shall execute and deliver a *Direction for Disbursement of Funds* authorizing the Lender to disburse the LOAN funds directly to the Borrower's Solicitor and/or Creditors, Vendors or other persons identified by the Lender as being entitled to receive such funds. The *Direction for Disbursement of Funds* shall be drafted in a form and approved by the Lender.
- 2.4 **PAYMENT OF EXISTING CREDIT OR OTHER ACCOUNTS:** Each Borrower hereby acknowledges that the Lender reserves the right to advance any portion of the LOAN funds directly to one or more Third Party Vendors, Suppliers or other persons identified by the Lender as lawful

Creditors of the Borrower. For clarity, but not to limit the generality, the foregoing payments to Third Party Creditors may include any existing Credit Account, Debt, Liability or other Account owed or payable by the Borrower, Guarantor (*if applicable*) or any other person closely related or associated with the Borrower.

Each Borrower hereby acknowledges that the Lender shall be entitled to withhold any advance or partial advance of the LOAN funds until such time that the Lender has been provided with copies of all Payment Histories, Account Statements, Payout Statements or other information, Instruments or documents respecting any existing Credit Account, Debt or Liability owed by the Borrower, Guarantor (*if applicable*) or any other person closely related or associated with the Borrower.

Further, the Lender shall be entitled to exercise its discretion at any time prior or subsequent to advancing any part of the LOAN funds by requiring the Borrower to deliver any Payment Histories, Account Statements, Payout Statements or other information, instruments or documents an ongoing Authorization permitting the Lender to obtain such items from any existing or future Creditor of the Borrower, Guarantor (*if applicable*) or any other person closely related or associated with the Borrower. Should the Borrower refuse to comply with any demand for information or documentation made by the Lender upon having received reasonable notice, then the Lender shall be entitled to cancel this Business Loan Financing transaction before its completion or otherwise declare that such failure or refusal constitutes an Act of Default under the terms and conditions of the within LOAN AGREEMENT.

The Lender shall be entitled to demand the Borrower and Guarantor (*if applicable*) affect immediate repayment of all monies owed under the terms and conditions of the within LOAN AGREEMENT in circumstances where the Lender has exercised its discretion by means of making such declaration of Default in accordance with this Article.

Each Borrower hereby acknowledges and agrees that the Lender shall be entitled to require him or any Guarantor (*if applicable*) to execute any **Authorizations & Directions** that the Lender may require in order to ensure that any existing or future Accounts, Debts or Liabilities of the Borrower or Guarantor (*if applicable*) shall be Paid-Out, Discharged, Released and/or Closed upon completion of the within Business Loan Financing transaction or as otherwise determined in the discretion of the Lender. For clarity, such Accounts, Debts or Liabilities may include, but are not limited to, any Suppliers, Banks, Contractors, Credit Card Companies, Government Ministries or Departments or any other person who is or may be a Creditor of the Borrower and/or Guarantor (*if applicable*).

ARTICLE 3 - TERMS OF REPAYMENT

- 3.1 **PROMISE TO REPAY DEBT:** Each Borrower hereby agrees to repay, or cause to be repaid, the Business Loan Financing advanced to us on the basis of our individual credit worthiness. Each Borrower acknowledges that such Business Loan Financing forms a debt in the principal sum of \$200,000.00 owed to the Lender. Each Borrower further agrees to repay the foregoing debt in accordance with the terms and conditions of the within LOAN AGREEMENT.
- 3.2 **INSTALMENT PAYMENTS:** Each Borrower hereby promises to repay, or cause to be repaid, the debt referred to at **Article 3.1**, together with accrued interest, charges and penalties (*if applicable*), by means of MONTHLY INSTALMENT PAYMENTS fixed in the amount of:

TWO THOUSAND, FIVE HUNDRED ----- 00/100 DOLLARS (\$2,500.00) PRINCIPAL REPAYMENT plus ACCRUED INTEREST with the aggregate of the foregoing amount divided into TWO (2) equal Payments to be made and submitted to SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION respectively.

Each Borrower further agrees to pay, or cause to be paid, the MONTHLY INSTALMENT PAYMENTS commencing on *April 1st 2012* and continuing on the 1st day of each and every month thereafter until the full amount of the outstanding debt then owed to the Lender shall fall due and be payable on *March 1st 2013*. However, the Lender shall reserve the right to renew and extend this LOAN AGREEMENT on terms and conditions agreed to with the Borrower in writing from time to time.

The MONTHLY INSTALMENT PAYMENTS shall be paid by negotiation of TWELVE (12) POST-DATED CHEQUES delivered to each of SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION respectively and concurrently with the completion of this Business Loan Financing transaction. The Borrower further agree to deliver a further TWELVE (12) POST-DATED CHEQUES to the Lender on the ANNIVERSARY DATE of the completion of this Business Loan Financing transaction and in each year thereafter for the entire TERM of this LOAN AGREEMENT or any renewal hereof.

3.3 **CALCULATION OF INTEREST:** INTEREST shall be computed and accrue against the PRINCIPAL LOAN on the earlier date of the initial advance of any part of the PRINCIPAL LOAN or commencing on and from *March 1st 2012*. INTEREST shall continue to accrue and be applied against the outstanding debt owing from time to time until the amount of debt owed by the Borrower to the Lender has been repaid in full.

3.4 **REPAYMENT OF ADDITIONAL LOAN RELATING TO THE BUSINESS EXCELLENCE TRAINING PROGRAM:** Each Borrower hereby agrees to repay the additional Loan amount of TWO THOUSAND ----- 00/100 DOLLARS (\$2,000.00) to be advanced by the Lender in relation to the Borrower's enrolment in the above referenced Business Excellence Training Program on a NON-INTEREST basis by means of ONE (1) INSTALMENT PAYMENT on *March 1st 2013*.

Each Borrower further acknowledges and agrees that in the event that the Borrower commits any *Act of Default* as hereinafter defined at **Article 7.3**, and such *Act of Default* continues for a period of no less than THIRTY (30) DAYS, then the Lender may exercise its discretion and add the then remaining Balance of Debt owing and relating to the within *Business Excellence Training Program* to the PRINCIPAL LOAN then outstanding and the aggregate of such amount shall thereafter bear and be charged with INTEREST at the rate of NINE PERCENT (9.0%) *calculated monthly*.

3.5 **AMOUNTS TO BE ADDED TO THE PRINCIPAL:** Each Borrower hereby acknowledges and agrees that all accrued INTEREST, FEES, PENALTIES, COSTS and other amounts charged in accordance with the terms and conditions stated herein shall be added to the debt owed to the Lender. Such amounts shall be added to the said debt regardless of whether such amounts accrue or become payable before, after or as a result of any *Act of Default* committed by the Borrower or upon maturity of the TERM or any renewal of the within LOAN AGREEMENT.

3.6 **APPLICATION OF PAYMENTS:** All payments received by the Lender in accordance with the terms of this LOAN AGREEMENT shall be applied firstly toward FEES, PENALTIES and COSTS properly charged or

incurred by the Lender. The remaining amount of any payment made by the Borrower shall then be applied to the payment of accrued and outstanding INTEREST before being applied to the PRINCIPAL LOAN or debt amount then owed by the Borrower to the Lender in accordance herewith this LOAN AGREEMENT.

ARTICLE 4 – PURPOSE OF BUSINESS LOAN FINANCING TRANSACTION

- 4.1 **PURPOSE OF LOAN FINANCING:** The Borrower hereby confirms that the funds to be advanced under the terms of this LOAN AGREEMENT shall be utilized and employed for the sole purpose of paying and consolidating existing debts owed by the Borrower.
- 4.2 **LOAN CONDITIONAL ON USE OF FUNDS:** The Borrower hereby acknowledges and agrees that the within Business Loan Financing transaction is being proposed by the Lender on the basis of and conditional upon all of the PRINCIPAL LOAN funds advanced, or to be advanced, by the Lender are utilized and employed by the Borrower for the SPECIFIC PURPOSE or PURPOSES stated at Article 4.1 herein.
- 4.3 **CREATION OF EMPLOYMENT:** The Borrower further acknowledges and agrees that by virtue of the Lender having agreed to extend the within Business Loan Financing, the Borrower will endeavour to maintain and/or create EIGHTY-SIX (86) FULL TIME and PART-TIME employment positions within the TWELVE (12) MONTH period following the completion of the within Business Loan Financing transaction and maintain such levels of employment throughout the TERM and any renewal of the within LOAN AGREEMENT.

ARTICLE 5 - PRE-FINANCING CONDITIONS & PLEDGE OF SECURITY

- 5.1 **CREDIT ADVANCE CONDITIONAL:** Each Borrower hereby acknowledges and agrees that the Lender shall not be obligated to advance any part of the PRINCIPAL LOAN unless the Borrower and/or Guarantor (*if applicable*), as the case may be, has pledged all SECURITY and fulfilled all of the PRE-FINANCING CONDITIONS stated as follows:
 - (i) **AUTHORIZATIONS & DIRECTIONS:** Each Borrower, Guarantor (*if applicable*) and other interested persons not dealing at arms length with the Borrower, as determined in the discretion of the Lender, shall execute and deliver all AUTHORIZATIONS & DIRECTIONS required by the Lender to complete all of its due diligence searches and procedures. Such AUTHORIZATIONS & DIRECTIONS may include, but are not limited to, Credit History Investigations; Real Property Mortgage Statements; Real Property Title & Off-Title Searches; Personal Property Security Interest Searches & Information in the possession or control of any existing or future Secured Party; Property Damage & Loss Insurance Policies; Credit Card and other Unsecured Debt Account Statements, Payment History & current Balances of Debt owed, Life Insurance Information, all levels of Government Tax obligations, Remittances, and other Accounts or currency of required Licenses or Permits or any other matter or information that in the sole discretion of the Lender may be required to determine the Credit Worthiness of each Borrower and Guarantor (*if applicable*) or the sufficiency or validity of the Security Interests pledged and created in accordance with the terms and conditions of the within LOAN AGREEMENT.
 - (ii) **PROMISSORY NOTE:** Each Borrower shall execute and deliver to the Lender a *Promissory Note* in a form acceptable to the Lender.

- (iii) **GUARANTEE OF DEBT REPAYMENT & POSTPONEMENT OF CLAIMS:** The following Individuals, Corporations or other Legal entities shall execute and deliver to the Lender a **Guarantee of Debt Repayment** and **Postponement of Claims** in a form acceptable to the Lender:

2110785 ONTARIO INC.;
ADAM HOFMANN; and
DIRK NIELSEN.

- (iv) **COMMERCIAL GENERAL LIABILITY INSURANCE:** Each Borrower shall deliver evidence to confirm that a valid **Commercial General Liability Insurance Policy** is in effect and in good standing with respect to the business affairs and operation of the Borrower. Such evidence shall include a copy of the **Declaration Page** of each such **Commercial General Liability Insurance Policy** or other evidence satisfactory to the Lender. The said **Declaration Page** or other satisfactory evidence shall confirm that the particular **Policy of Insurance** has been issued by a Company Licensed to provide Insurance in the province of Ontario and that **THIRD PARTY LIABILITY BENEFITS** in the minimum amount of **ONE MILLION ----- 00/100 DOLLARS (\$1,000,000.00)** per claim or incident is in place.

The **Commercial General Liability Insurance Policy** shall also include an endorsement providing Benefits for **BUSINESS INTERRUPTION** and/or **LOSS OF PROFIT** on terms acceptable to the Lender.

- (v) **EXISTING REAL PROPERTY MORTGAGE:** The existing **Charge/Mortgage of Land** registered against title to the Lands & Premises now described within PIN 33198-0287LT in the County of Bruce in favour of the Lender as evidenced by Instrument Number BR246 (*Registered on December 1st 2006*) shall continue in effect as a First Priority Charge and shall secure the repayment obligations of the Borrower under the terms of the within **LOAN AGREEMENT**. However, provided that the Lender acknowledges that its enforcement rights under the said **Charge/Mortgage of Land** may be subject to and limited by the priority of security interests pledged by the Borrower in favour of TCE CAPITAL CORPORATION and R.M. NELSON HOLDINGS LTD.

- (vi) **PROPERTY TAXES IN GOOD STANDING:** The Chargors/Mortgagors named in the **Charge/Mortgage of Land** described above shall deliver a current **PROPERTY TAX HISTORY STATEMENT** or other evidence satisfactory to the Lender as confirmation that all assessed Property Taxes, Municipal Levies and other Charges relating to the Mortgaged Property are paid to date and in good standing. However, provided that the Lender acknowledges and agrees to the continuation of a certain Property Tax Arrears Payment Agreement that has been entered into between the Borrower with the Municipality of Brockton provided that the Borrower provides objective documented evidence satisfactory to the Lender as means to confirm that that the said Agreement is currently in good standing.

- (vii) **GENERAL SECURITY AGREEMENT:** Each Borrower shall execute a valid **General Security Agreement** in a form approved by the Lender. The said **General Security Agreement** shall evidence, grant, pledge and create a **FIRST PRIORITY SECURITY INTEREST & CHARGE** against title to the Chattels, Revenues, Intangibles and all other present and future Personal Property Assets utilized in the operation of the Borrower's business enterprise and as otherwise specifically set out therein. However,

provided that the Lender acknowledges that its enforcement rights under the said **General Security Agreement** may be subject to and limited by the priority of security interests pledged by the Borrower in favour of TCE CAPITAL CORPORATION, R&D CAPITAL INC. and any other Creditor of the Borrower holding a *Purchase Money Security Interest* or otherwise securing Chattels pursuant to a certain *Lease Agreement* each of which is limited to being security only with respect to specified assets relating thereto.

The Lender shall be entitled to satisfy itself as to the sufficiency of the security pledged and register one or more *Financing Statements* in the PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM maintained in accordance with the provisions of the *Personal Property Security Act* (Ontario).

The Lender shall reserve the right to complete all due diligence, Public Record Searches, Appraisals and Inspections in relation to the Secured Personal Property and Register, or cause to be Registered one or more *Financing Statements* prior to making any advance of funds under the terms of the within LOAN AGREEMENT.

(viii) **ASSIGNMENT OF LIFE INSURANCE BENEFITS:** Each Individual or Corporation identified below shall execute an ***Irrevocable Assignment of Life Insurance Benefits (including any Cash Surrender Values)*** naming the Lender as **Irrevocable Assignee and/or Beneficiary** on minimum terms as follows:

(a) **NAMED INSURED:** **ADAM HOFMANN** and / or **DIRK NIELSEN** severally or jointly with Benefits payable on the occurrence of the death of either of the above referenced Named Insured's; and

(b) **MINIMUM BENEFITS:** **\$500,000.00.**

Such ***Assignment of Life Insurance Benefits*** shall be acknowledged and accepted by the Insurance Company issuing the ***Life Insurance Policy***.

Any proceeds received by the Lender as a result of the enforcement of the ***Assignment of Life Insurance Benefits*** shall be applied firstly to the payment of all debts owed to the Lender under the terms and conditions of the within LOAN AGREEMENT. The Lender shall then deliver and pay over any surplus Benefits or other Proceeds to the Named Insured or as he may otherwise direct in writing.

The Lender hereby agrees to deliver a **RELEASE** in respect of each ***Assignment of Life Insurance Benefits*** forthwith upon the Borrower having fulfilled all of its repayment and other obligations owed in accordance with the terms and conditions of the within LOAN AGREEMENT.

(ix) **LEGAL STATUS OF BORROWER & GUARANTOR:** The Borrower and 2110785 ONTARIO INC. shall each deliver a ***Corporate Profile Report*** issued by the Ministry of Consumer & Commercial Relations or other documentary evidence satisfactory to the Lender to evidence that each such entity is an existing and active Corporation pursuant to the Laws of Ontario or Canada, as applicable.

Each Individual, whether acting in his personal capacity or as an authorized representative of a Corporation, who is executing the within LOAN AGREEMENT or any other Document or Instrument

related hereto shall deliver a true copy of his **Birth Certificate, Canadian Citizenship or Canadian Passport** together with a true copy of his **Social Insurance Card and Photo Identification Card** or current **Photo Driver's License** to the Lender for its review, verification and approval of the legal identity of each such Individual.

- (x) **AUTHORITY TO BORROW & PLEDGE SECURITY:** The Borrower and 2110785 ONTARIO INC. shall each deliver a **Resolution of the Board of Directors**, which shall be **Ratified & Consented** to by all of the Shareholders of the Corporation. Such **Resolution** shall be in a form approved by the Lender and shall specifically state that the Borrower Corporation is authorized to enter in to the within LOAN AGREEMENT and grant or pledge all Security described herein and that 2110785 ONTARIO INC. is authorized to pledge the **Guarantee of Debt Repayment** and **Postponement of Claims** described at Article 5.1(iii) herein.
- (xi) **CERTIFICATE OF INCUMBENCY:** The Borrower and 2110785 ONTARIO INC. shall each deliver a **Certificate of Incumbency** together with true copy of its current **Shareholder Ledger**.
- (xii) **DISCLOSURE OF EXISTING DEBTS:** Each Borrower shall deliver to the Lender a true and accurate list of all current debts owed by the Borrower to any other individual, Corporation, organization or entity. Each Borrower shall also deliver to the Lender copies of all **Partnership Agreements, Joint Venture Agreements, Loan Agreements, Promissory Notes** or other **Financial Agreements** made between the Borrower and any other person.
- (xiii) **DISCLOSURE OF FINANCIAL RECORDS:** Each Borrower shall deliver true and accurate copies of all **Financial Records** and other Documents required by the Lender to investigate the Business affairs and credit worthiness of the Borrower. Such **Financial Records** may include, without limiting the generality of the foregoing, the following items:
 - (a) Aged List of Accounts Payable,
 - (b) Aged List of Accounts Receivable,
 - (c) Profit & Loss (Income) Statements,
 - (d) Balance Sheets,
 - (e) Accounting Books & Ledgers,
 - (f) Bank Statements & Records,
 - (g) Income Tax Returns & Notices of Assessment or Re-Assessment,
 - (h) Goods & Services Tax Returns & Remittance Statements,
 - (i) Provincial Retail Sales Tax Returns & Remittance Statements,
 - (j) Employee Deduction Remittance Statements,
 - (k) Loan Agreements & Security Instruments (both given and received), and
 - (l) Any other Document, Instrument or Record required by the Lender.

Each Borrower hereby acknowledges and agrees to deliver the foregoing items as requested by the Lender in respect of any one or more Borrowers or Guarantors (*if applicable*) for the period being up to and including the **SIX (6) YEARS** immediately preceding the date of the approval of the Borrower's application in relation to the within Business Loan Financing transaction.

The Lender is hereby authorized and entitled to take whatever actions, including requiring any Borrower or Guarantor (*if*

applicable) to execute Third Party **Authorizations & Directions** to release Information or Documentation directly to the Lender, as means to review, update, verify and approve the financial status and credit-worthiness of each Borrower and Guarantor (*if applicable*) prior to making any advance of funds under the terms of the within LOAN AGREEMENT.

(xiv) **CLEARANCE CERTIFICATES:** The Lender shall be entitled at any time to require the Borrower to deliver any **Clearance Certificates** issued by the responsible Provincial or Federal government, Professional Association or other entity in relation to **Corporate Income Tax, Harmonized Sales Tax, Employee Deduction Remittances** and/or similar Taxes, Levies, Fees or Charges. Alternatively, the Lender may agree to accept any other evidence approved by the Lender or an ongoing and **Irrevocable Authorization & Direction** executed by the Borrower to permit the relevant Provincial or Federal government, Professional Association or other entity to provide such **Clearance Certificates** or other documented evidence or any other related information directly to the Lender.

(xv) **BORROWER'S INDEPENDENT LEGAL REPRESENTATION:** The Borrower shall be required to arrange for and receive **Independent Legal Representation** with respect to the negotiation and completion of the within Business Loan Financing Transaction and his agreement to be bound by the terms of this LOAN AGREEMENT and Security Instruments identified herein.

Alternatively, the Lender may consent to the Borrower's request to **Waive** his right to receive **Independent Legal Representation**. The Lender's agreement to any **Request for Consent to Waive Independent Legal Representation** shall only be granted on condition that the particular Borrower executes a **Waiver of Independent Legal Representation** in a form satisfactory to the Lender.

(xvi) **GUARANTOR'S INDEPENDENT LEGAL ADVICE:** Each Guarantor shall be required to arrange for and to receive **Independent Legal Advice** with respect to his agreement to be bound by the terms of the **Guarantee of Debt Repayment**. And Postponement of Claims identified at **Article 5.1(iii)** herein. Further, each Guarantor shall execute and deliver to the Lender an **Acknowledgment of Independent Legal Advice**, supported by a **Solicitor's Certificate** in a form acceptable to the Lender.

Alternatively, the Lender may consent to the Guarantor's request to **Waive** his right to receive **Independent Legal Advice**. The Lender's agreement to any **Request for Consent to Waive Independent Legal Advice** shall only be granted on condition that the particular Guarantor executes a **Waiver of Independent Legal Advice** in a form satisfactory to the Lender.

5.2 **TERMINATION OF TRANSACTION FOR NON-COMPLIANCE WITH CONDITIONS:** Should the Borrower fail to fulfill any of the PRE-FINANCING CONDITIONS stated herein this Article on or before **February 29th 2012**, the Lender shall be entitled at any time thereafter to terminate the within Business Loan Financing transaction by notice given to the Borrower. Should the Lender elect to terminate the within Business Loan Financing transaction in accordance herewith this Article, the Borrower shall remain responsible to pay all of the Lender's expenses, including the Application Fee, Administrative costs, Credit Investigation expenses and Legal costs incurred by the Lender in relation hereto.

ARTICLE 6 – POST-FINANCING TERMS & CONDITIONS

- 6.1 **EXECUTION OF ADDITIONAL DOCUMENTS:** Each Borrower hereby agrees to execute and deliver to the Lender such additional Agreements, Security Instruments or other documents as may be required from time to time to give effect to the within Business Loan Financing transaction.
- 6.2 **LATE PAYMENTS & NON-PAYMENTS:** The Lender shall be entitled to charge a **FIFTY ---- 00/100 DOLLAR (\$50.00) Service Charge** should any payment owed in accordance with the terms of the within LOAN AGREEMENT is delivered or paid after its Due Date or the payment is not made, delivered or is returned to the Lender from the Financial Institution upon which such payment was drawn and is marked non-negotiable because of **Insufficient Funds on Deposit (NSF), Stop Payment** or for any other reason.
- 6.3 **ANNUAL FINANCIAL DOCUMENTATION:** The Borrower shall deliver **Annual Financial Statements** prepared by an Accountant approved by the Lender. The said **Annual Financial Statements** shall be delivered to the Lender within **NINETY (90) DAYS** following the end of the financial year of the Borrower.
- In the event that the Borrower fails to deliver any **Annual Financial Statements** within the prescribed period, the Lender shall be entitled to charge a **TWO HUNDRED ----- 00/100 DOLLAR (\$200.00) Administration Fee** to review the credit position of the Borrower. Furthermore, the Lender shall remain entitled to receive the **Annual Financial Statements** as required herein.
- 6.4 **BUSINESS INFORMATION & ACCESS TO RECORDS:** The Borrower shall provide the Lender with access to any information related to his business operations as may be required from time to time. Such information may include, but is not limited to, the Lender having free and uninhibited access to the Borrower's place of business for the purpose of inspecting the operation and its Accounting and other records.
- The Borrower shall also execute all **Authorizations & Directions** or other documents required by the Lender in order to gain unrestricted access to all available information, financial documentation and records in the possession or control of the Borrower's Banker, Accountant, Bookkeeper or any other individual, Corporation, person, organization or entity. For clarity, the Lender may rely upon this clause as a deemed **Acknowledgment & Direction** given by the Borrower and as may be required by any person as a condition to disclose any information concerning the Borrower's business affairs, finances and accounts.
- 6.5 **MONTHLY FINANCIAL DOCUMENTATION:** The Borrower and 2110785 ONTARIO INC. shall deliver an **Aged List of Accounts Receivable, Accounts Payable, Income Statement, and Balance Sheet** in relation to its business affairs for each Month during the term of the within LOAN AGREEMENT. The foregoing information and documentation is to be delivered to the Lender within **THIRTY (30) CALENDAR DAYS** following the end of the relevant Fiscal Month.
- 6.6 **DISCLOSURE OF INFORMATION TO INDUSTRY CANADA:** The Borrower acknowledges that the Federal Government of Canada is permitted access to the Lender's client files. Such access is permitted for the purposes of reporting, monitoring and evaluation of the Lender's operations. The Lender's clients may therefore be contacted from time to time by representatives of the Federal Government of Canada in order to effectively evaluate the performance of the Lender. The Lender's clients are encouraged to cooperate with Industry Canada representatives by delivering any information that may be requested in regard to the services and assistance provided by the Lender to the Borrower. All information

and documentation provided by the Borrower to the Lender and the Federal Government of Canada will be held in strict confidence and privacy.

6.7 **COMPLIANCE WITH LAWS:** The Borrower shall comply with all laws, regulations, by-laws, ordinances, decrees and other requirements of the federal, provincial, territorial, municipal governments and other authoritative bodies that may govern or regulate the Borrower's business operations. The foregoing requirements include adherence to any Provisions or Regulations relating to the Environmental Protection Act (Ontario) and the protection of the environment in general.

6.8 **SPECIAL CONDITIONS:**

(i) **TRANSFER OF ASSETS:** This LOAN AGREEMENT becomes void and the Principal Debt owed hereunder shall become immediately due and payable, together with all present and future Interest, Penalties, Fees and Costs, if at any time the Borrower sells or otherwise transfers any part of the Real Property and/or Personal Property secured under the terms of the within LOAN AGREEMENT. Save and except, the foregoing restriction does not apply to the selling of goods in the normal course of business or where otherwise provided for within the terms of this LOAN AGREEMENT or where the Lender has delivered its written consent to the transfer of specifically identified Capital Assets.

(ii) **MISREPRESENTATION OF ASSETS:** This LOAN AGREEMENT becomes void and the Principal Debt owed hereunder shall become immediately due and payable, together with all present and future Interest, Penalties, Fees and Costs, if at any time the Lender determines in its sole discretion that the Borrower has purposely or mistakenly misrepresented his title and interest in respect of any part of the Real Property and/or Personal Property secured under the terms of the within LOAN AGREEMENT or any related Agreements, Security Instruments or other Documents completed and executed in relation hereto.

(iii) **LEGAL COSTS:** The Borrower shall be responsible for all costs incurred by the Lender in relation to the processing of this Business Loan Financing transaction, which such costs shall include, but are not limited to, all Legal Services and Disbursements required to give effect to the within LOAN AGREEMENT and Security Interests pledged by the Borrower and/or Guarantor (if applicable) in relation hereto. The payment of the Lender's Costs by the Borrower shall be applicable regardless of whether the within Business Loan Financing transaction is completed and regardless of whether any part of the LOAN funds have been advanced to or for the benefit of the Borrower.

(iv) **CREDIT INVESTIGATION & SECURITY REGISTRATIONS:** Each Borrower and Guarantor (if applicable) shall authorize, grant and direct the Lender to undertake and complete any investigations that it deems necessary for the purpose of determining the financial affairs and credit worthiness of the Borrower and Guarantor (if applicable) and for the purposes of enforcing the Repayment and other obligations owed to the Lender in accordance with the terms and conditions of the within LOAN AGREEMENT.

For clarity, the Lender is hereby authorized and directed by the Borrower to conduct any Credit Investigations it deems necessary to determine the present or future credit worthiness of the Borrower and Guarantor (if applicable). Such Credit Investigations may include the obtaining of present or future **Credit Bureau Reports** or

Credit History Reports with respect to each Borrower and Guarantor (if applicable) as maintained by any **Credit Reporting Service** in Canada.

The Borrower agrees to pay or reimburse the Lender for its Loan Application and Administration costs and fees, including any fees incurred by the Lender with respect to completing any present or future Credit Investigations in relation to the within Business Loan Financing transaction.

The Borrower further agrees to pay or reimburse the Lender for all fees incurred by it with respect to any **Personal Property Security Registration System Searches, Security Interest Registration Fees, Land Registry Searches, Land Registry Registration Fees, Appraisals, Letters of Opinion** and any and all other fees, expenses and costs associated with the undertaking, processing, completion and/or enforcement of this LOAN AGREEMENT.

- (v) **PREPAYMENT PRIVILEGES:** The Borrower shall be entitled to make any Prepayment of the whole or part of the Principal Debt at any time or times upon having delivered at least **NINETY (90) DAYS Written Notice** to the Lender or, in the alternative, where the foregoing written Notice is not provided, the Lender shall be entitled to charge and collect from the Borrower an amount equal to **NINETY (90) DAYS** Interest as a Bonus.

6.9 **ONGOING COVENANTS (Positive & Negative):** Each Borrower agrees that he shall not in any way participate or authorize any of the following actions to be taken in absence of the written consent of the Lender:

- (i) Increase Salaries or Draws of any Officers, Directors, or Shareholders of the Borrower Corporation;
- (ii) Change the location of the principal place of business of the Borrower;
- (iii) Change the location of where the Personal Property (*Business Assets*) secured hereunder is currently located;
- (iv) Sell, Convey, Transfer or otherwise Dispose of any Capital Assets pledged as Security to the Lender hereunder;
- (v) Disburse or enter in to any agreements with respect to the making of any Capital Expenditures are Individually or collectively in excess of **FIFTY THOUSAND -----00/100 DOLLARS (\$50,000.00)** in any calendar, except as contemplated under the specific terms of the within LOAN AGREEMENT;
- (vi) Hire any employee who resides outside of the area of Operation of the Lender;
- (vii) Create or pledge any subsequent Security Interests or other encumbrances or liabilities in relation to the Real Property and/or Personal Property pledged as Security to the Lender hereunder;
- (viii) Create, issue, transfer, convey or otherwise assign any Shares, Classes of Shares or other ownership interests in relation to the Borrower or its Business enterprise;
- (ix) Pay out Dividends, Bonuses or other Distribution of Profits or Capital to any Owner, Partner, Shareholder, Officer, Director, Employee or other person not dealing at arms length with the Borrower, as defined by the **Income Tax Act** (Canada).

ARTICLE 7 - ACCELERATION OF DEBT REPAYMENT

- 7.1 **DEMAND FOR ACCELERATED REPAYMENT UPON DEFAULT:** The Lender reserves the right to accelerate and demand immediate payment of the Principal, Interest and other amounts owed hereunder in any circumstance where there has been an *Act of Default* committed by the Borrower as hereinafter defined in this Article.
- 7.2 **PROMISE TO EFFECT ACCELERATED REPAYMENT UPON DEMAND:** Each Borrower hereby promises and agrees to effect immediate repayment of the outstanding debt owed in accordance with the terms of the within LOAN AGREEMENT if at any time the Lender makes demand for accelerated payment by written notice upon or following of one or more Acts of Default hereinafter defined in this Article.
- 7.3 **ACTS OF DEFAULT:** Each Borrower hereby acknowledges and agrees that the occurrence of any of the following circumstances as determined in the sole discretion and opinion of the Lender shall constitute an *Act of Default* of the Borrower's obligations hereunder:
- (i) The Borrower has committed any Default of its repayment or other obligations owed to the Lender in accordance with the terms of the within LOAN AGREEMENT or any Agreement, Security Instrument or other Document executed in relation thereto; or
 - (ii) There is a material adverse change in risk of default in respect of the Borrower's repayment or other obligations under the terms of this LOAN AGREEMENT which may occur due to the Borrower's and/or Guarantor's (if applicable) ability or willingness to fulfill the repayment and other obligations owed to the Lender, or
 - (iii) The Borrower has not drawn the entire loan advance within THIRTY (30) DAYS of the date the Borrower is advised in writing of the Lender's Offer and Commitment to complete the within Business Loan Financing transaction; or
 - (iv) The Borrower fails to comply with any term, condition or provision of this LOAN AGREEMENT other than for the repayment of money (including if it is discovered that any information, representations or warranties provided by the Borrower are incorrect) and that such event of default is not cured by the Borrower within THIRTY (30) DAYS of having received Written Notice from the Lender; or
 - (v) The Borrower is in default with respect to any liability for the payment of money to any of its Creditors, other than the Lender; which such default of payment includes, but is not limited to, any Government Tax, Levy or Charge, Insurance Premiums, Business Premises Rent, Supplier Accounts, General Accounts Payable, Equipment or Vehicle Lease Payments or obligations related to any Loan Financing or Credit Facility with any other Creditor; or
 - (vi) The Borrower amalgamates or conveys any part of its Business Enterprise and Operations to any other Business, Corporation, Partnership, Individual or other entity without the written consent of the Lender;
 - (vii) The Borrower relocates its ~~the~~ Business Premises or a substantial portion of its business operations and enterprise outside the geographic area serviced by the Lender; or
 - (viii) The Borrower ceases to carry on business, or if the principal place of business of the Borrower fails to open for business for a period of FIFTEEN (15) DAYS in any TWENTY (20) DAY period or becomes

vacant or unoccupied; or

- (ix) The holder of any Mortgage, Charge, Encumbrance or Security Interest with respect to any of the Borrower's Real Property or Personal Property (*Business Assets*) or Business Enterprise takes any steps or actions to enforce or realize against the Security pledge under any such Mortgage, Charge, Encumbrance or Security Interest; or
- (x) A Petition in Bankruptcy is filed against the Borrower; which is not dismissed within SIXTY (60) DAYS of such filing, or the Borrower makes an Assignment of all of its property under the terms of the *Bankruptcy & Insolvency Act (Canada)* or an Agent or Receiver is Appointed to take possession over any portion of the assets of the Borrower, or the Borrower permits its property to be seized or taken in exercise of any *Writ of Execution*, or the Borrower makes an Assignment for the benefit of its Creditors or is adjudicated to be Insolvent or Bankrupt or the Borrower makes its own Petition or Application to any Court or Tribunal of Competent Jurisdiction with respect to the appointment of any Receiver, Receiver Manager, Trustee, Liquidator or Sequestator of or for the Borrower or the Borrower's property.

ARTICLE 8 - INTERPRETATION

- 8.1 **NOTICES:** Any Request, Notice or Demand made or given in connection with the terms of the within LOAN AGREEMENT may be made or given by Facsimile Transmission or by Pre-Paid Regular Letter Mail, Courier or Hand Delivered to the receiving party as set out below:

To the Borrower: **BOGDON & GROSS
FURNITURE COMPANY LIMITED**
75 Ridout Street
Box 1240
WALKERTON, Ontario N0G 2V0

Phone: (519) 881-0600
Fax: (519) 881-1068

To the Lender: **SAUGEEN ECONOMIC
DEVELOPMENT CORPORATION**
515 Mill Street
P.O. Box 177
NEUSTADT, Ontario N0G 2M0

Phone: (519) 799-5750
Fax: (519) 799-5752

And to: **BRUCE COMMUNITY FUTURES
DEVELOPMENT CORPORATION**
281 Durham Street
P.O. Box 208
KINCARDINE, Ontario N2Z 2Y7

Phone: (519) 396-8141
Fax: (519) 396-8346

provided, however, that either party may change its contact information for the purposes of receipt of any notices or communications by delivery of **Written Notice** provided TEN (10) DAYS prior to such change to the other party in the manner described herein this clause.

In addition to being entitled to serve the opposing party with such notices and communications at the address or facsimile contact information provided above, either party may serve any Request, Notice or Demand in respect to of the within LOAN AGREEMENT upon any other party by delivering such communications in the manner set out above, but to the Solicitor representing the receiving party, unless such party has provided Notice In writing confirming that he is no longer represented by a Solicitor or is represented by a different Solicitor who is unauthorized to accept delivery of such notices and communications.

For clarity, any communication served by Facsimile Transmission shall be deemed to have been received by the receiving party at 9:00 a.m. on the first Business Day following the successful transmission of such communications provided that the delivering party has retained and is able to produce a copy of the successful Facsimile Transmission Report.

For further clarity, any communication served by Regular Letter Mail shall be deemed to have been received by the receiving party on the FIFTH (5th) DAY following the day in which such communication was deposited with Canada Postal Services. However, no party shall be entitled to serve any written communications by Regular Letter Mail at a time that there is an actual or threatened stoppage of Postal Services.

- 8.2 **WAIVER:** Any party to this LOAN AGREEMENT may (a) WAIVE, in whole or in part, any of the Rights accruing to such party by reason of any term stated herein; and/or (b) WAIVE, in whole or in part, any Act of Default under any clause stated herein which is to the benefit of such party. However, any such WAIVER by either party shall not constitute WAIVER of any such term thereafter or any other clause or any subsequent Act of Default, as circumstances may so dictate.
- 8.3 **APPLICABLE LAW:** The within LOAN AGREEMENT is hereby made and shall be construed, governed and enforced in accordance with the laws of the Province of Ontario and Canada, where applicable.
- 8.4 **HEIRS & ASSIGNS:** The within LOAN AGREEMENT shall be binding upon and enure to the benefit of the parties hereto, their respective successors, administrators and assigns, except that the Borrower shall be prohibited from making any Assignment of its rights or obligations stated and set out hereunder unless the Borrower has received the prior written consent of the Lender with respect to such Assignment.
- 8.5 **INDEMNITY:** The Borrower shall indemnify and save the Lender, its Officers, Directors and Employees harmless against all Liabilities, Claims, Damages or Expenses due to or arising out of any act or omission or neglect committed by the Borrower or its Servants, Employees, Agents, Invitees or Licensees in any way related to the operation of the Borrower's Business Enterprise or arising out of any Breach committed by the Borrower of any of the Covenants or Warranties given hereunder or in any other document provided in connection to the Application, Approval or Processing of the within Business Loan Financing transaction, including this LOAN AGREEMENT and any Security Interests granted, pledged or taken in relation thereto.
- 8.6 **EXECUTION IN COUNTERPARTS:** This LOAN AGREEMENT may be executed in several counterparts, each of which so executed shall be deemed to be an original hereof, and such counterparts together shall constitute but one and the same Instrument or Agreement so long as either an original or reproduction copy of each parties signed LOAN AGREEMENT has been delivered and received by each party in the manner as provided for at **Article 8.1** herein.

- 8.7 **ARTICLES & HEADINGS:** The division of this document into **ARTICLES** and **SUB-ARTICLES** and the insertion of **HEADINGS** are for the convenience of reference only and shall not affect the construction or interpretation of this LOAN AGREEMENT. The terms stated as 'LOAN AGREEMENT', 'hereof', 'hereunder', 'herein' and similar expressions refer to the terms of this document and not to any particular **ARTICLE**, **SUB-ARTICLE** or any other specific portion of this document or any ancillary or supplemental instrument unless specifically stated as such. Unless something in the subject matter or context is inconsistent therewith, references herein to any **ARTICLE** are meant to be references to the **ARTICLES** and **SUB-ARTICLES** as stated herein.
- 8.8 **NUMBER & GENDER:** Words importing the singular number shall include the plural and *vice versa*. Words importing the masculine gender shall include the feminine and neuter genders and *vice versa*. Words importing or referring to persons shall include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and any other legal entity.

ARTICLE 9 - LENDER'S LEGAL REPRESENTATIVE

- 9.1 **LENDER'S SOLICITOR:** The Lender will instruct its Solicitor to perform all Legal Services that it requires in relation to the processing and completion of the within Business Loan Financing transaction. Specifically, the Lender's solicitor shall prepare all necessary documentation and complete all investigations and searches on their behalf. However, the costs incurred by the Lender in relation to such Legal Services shall be borne by and are the responsibility of the Borrower. Payment of such costs shall be deducted from the initial or any subsequent advance of funds to be provided in accordance with the terms of this LOAN AGREEMENT.

The Lender Solicitor for the purposes of the within Business Loan Financing transaction shall be as follows:

KEVIN W. McMEEKEN LAW OFFICE
207 - 10th Street
HANOVER, Ontario N4N 1N8

Phone: (519) 364-5505
Fax: (519) 364-0165

[SIGNATURES ON THE NEXT PAGE FOLLOWING]

PROMISSORY NOTE

CREDITOR: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION &
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION
DEBTOR: BOGDON & GROSS FURNITURE COMPANY LIMITED
PRINCIPAL DEBT: \$200,000.00

FOR VALUABLE CONSIDERATION RECEIVED & ACKNOWLEDGED, the undersigned promises to pay to SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION ("SEDC & BCFDC") the sum of TWO HUNDRED THOUSAND 00/100 DOLLARS (\$200,000.00) (hereinafter referred as the "Principal") with interest computed and accrued thereon at the rate of NINE PERCENT (9.00%) per annum, calculated MONTHLY both before, as well after as, after maturity, and both before and after default. Interest shall be computed on the outstanding Principal from the earlier of the date of advance or March 1st 2012 and shall be added to the Principal as such interest accrues and is calculated from time to time. Further, the undersigned hereby acknowledges and agrees that his, her or its obligation to pay the Principal shall include and be together with all accrued Interest, Bonuses, Penalties, Fees, other Charges and Costs provided for within the terms of a certain LOAN AGREEMENT made with SEDC & BCFDC and executed by the undersigned on February 27th 2012 (all of which is hereinafter referred to as the 'Debt').

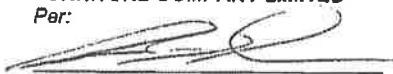
THE UNDERSIGNED further acknowledges and agrees that my obligations to repay the Debt to SEDC & BCFDC shall be joint, several and separate of all other individuals, persons, Corporations or other entities obligated to repay the said Principal and other monies that may be owed to SEDC & BCFDC in respect thereof from time to time.

THE UNDERSIGNED further promises to repay the Debt in equal Monthly Installments of TWO THOUSAND, FIVE HUNDRED 00/100 DOLLARS (\$2,500.00), plus ACCRUED INTEREST, commencing on April 1st 2012 to and including March 1st 2013 when the remaining balance of the Debt, if any, shall become due.

THE UNDERSIGNED, when not in default of his, her or its obligations hereunder; which shall include all of the terms and conditions stated within the said LOAN AGREEMENT, hereby reserves the right to repay all or any of the Principal outstanding at any time or times upon having given NINETY (90) DAYS written notice to SEDC & BCFDC, or in the alternative, by making payment of NINETY (90) DAYS Interest Bonus and Penalty. Provided however that any partial Prepayment of the Debt shall be applied firstly to the reduction of any outstanding Bonuses, Penalties, Fees, other Charges and Costs provided for within the terms of the said LOAN AGREEMENT before reduction of any accrued Interest and lastly to the reduction of Principal in inverse order of maturity of this Promissory Note. Notwithstanding any Prepayment on account of the Principal hereby secured the aforesaid Monthly Installment payments shall continue to fall due and become payable for so long as any part of the Debt hereby secured remains unpaid.

THE UNDERSIGNED hereby acknowledges and agrees that should he, she or it fail to pay any Monthly Installment on the date such payment falls due or otherwise commits any Act of Default, as such term is defined within the said LOAN AGREEMENT, the current balance of the Debt then owed shall become due and payable at the option of SEDC & BCFDC. For clarity, the undersigned acknowledges and agrees that the Debt shall then include all Collection Costs, Legal Expenses, Disbursements or Fees incurred by SEDC & BCFDC for any reason regardless of whether being as a result of making Demand or delivery of Notice or for the institution of any measures or actions taken to enforce the repayment and other obligations and liabilities of the undersigned in accordance with the terms of this Promissory Note.

SIGNED & DATED at HANOVER, Ontario this 1st day of March, 2012.

) BOGDON & GROSS
) FURNITURE COMPANY LIMITED
) Per: 
) ADAM HOFMANN
) (President)
)
) I have authority to bind the Corporation.
)

GUARANTEE OF DEBT REPAYMENT

**TO: SAUGEE ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**

WHEREAS you have agreed to enter into a *Loan Agreement* with **BOGDON & GROSS FURNITURE COMPANY LIMITED** (*hereinafter referred to as the 'BORROWER'*).

AND WHEREAS a condition of lending the funds as provided for within the said *Loan Agreement*, you have demanded security as hereunder written.

NOW THEREFORE in consideration of you lending funds to the **BORROWER**, either continuously or intermittently, so long as you may see fit and of such past, present or future advances as you may make to the **BORROWER**, I, THE **UNDERSIGNED**, **HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE OF ALL DEBTS AND OTHER LIABILITIES OWED TO YOU BY THE BORROWER** howsoever incurred including without limitation with respect to the repayment of all money or other consideration advanced or which may be advanced by you to the **BORROWER** and all liabilities, whether direct or indirect, to which you may become subject as a result of making advances to, or otherwise dealing with, the **BORROWER**.

AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING GUARANTEE, I PROMISE AND COVENANT TO YOU THAT I, THE UNDERSIGNED, HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE of all debts, money or liabilities now owing by the **BORROWER** to you, or which shall at any time, or from time to time, hereafter become liable or owing by the **BORROWER** to you, whether directly or indirectly incurred, or whether matured or not, or whether alone or jointly with others, or whether as principal or surety, or whether absolute or contingent, and such amounts shall be paid by the undersigned together with all interest, commissions, costs, charges and expenses which may be incurred in respect of such advances or liabilities owed to you by the **BORROWER** or relating to any securities granted or pledged to you in respect thereof.

AND I, THE UNDERSIGNED, FURTHER ACKNOWLEDGE, AGREE AND ACCEPT THAT MY GUARANTEE HEREIN shall evidence the fact that I, the undersigned, have taken responsibility for fulfillment of all obligations owed to you by the **BORROWER** regardless of how or when such obligations were or will be incurred by the **BORROWER**.

AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE to be *jointly, severally & separately liable* and responsible to fulfill all repayment and other obligations owed to you by the **BORROWER** regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise your rights of enforcement against the **BORROWER** or any other person responsible to perform the **BORROWER'S** repayment and other obligations owed to you and regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise of your rights to enforce or realize upon any or all security pledged to you with respect to the performance of the **BORROWER'S** repayment or other obligations owed to you.

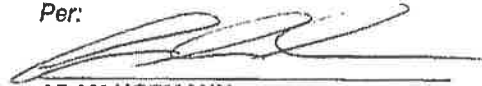
AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE that the amounts Guaranteed by me hereunder shall include any Penalties, Charges, Fees or Costs applicable to the **BORROWER** in respect of the foregoing amounts and shall be as equally payable by, and recoverable from, the undersigned either jointly, severally and separately with the **BORROWER** and any other person responsible to you in respect of such repayment and other obligations owed to you by the **BORROWER**.

IN WITNESS WHEREOF the undersigned has hereto set my hand and seal this 27th day of February, 2012.

SIGNED, SEALED and DELIVERED in the presence of:

2110785 ONTARIO INC.

Per:

A handwritten signature in black ink, appearing to read 'Adam Hofmann', written over a horizontal line.

ADAM HOFMANN

(President)

I have authority to bind the Corporation.

GUARANTEE OF DEBT REPAYMENT

**TO: SAUGEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**

WHEREAS you have agreed to enter into a *Loan Agreement* with **BOGDON & GROSS FURNITURE COMPANY LIMITED** (*hereinafter referred to as the 'BORROWER'*).

AND WHEREAS a condition of lending the funds as provided for within the said *Loan Agreement*, you have demanded security as hereunder written.

NOW THEREFORE In consideration of you lending funds to the **BORROWER**, either continuously or intermittently, so long as you may see fit and of such past, present or future advances as you may make to the **BORROWER**, I, THE **UNDERSIGNED**, **HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE OF ALL DEBTS AND OTHER LIABILITIES OWED TO YOU BY THE BORROWER** howsoever incurred including without limitation with respect to the repayment of all money or other consideration advanced or which may be advanced by you to the **BORROWER** and all liabilities, whether direct or indirect, to which you may become subject as a result of making advances to, or otherwise dealing with, the **BORROWER**.

AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING GUARANTEE, I PROMISE AND COVENANT TO YOU THAT I, THE UNDERSIGNED, HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE of all debts, money or liabilities now owing by the **BORROWER** to you, or which shall at any time, or from time to time, hereafter become liable or owing by the **BORROWER** to you, whether directly or indirectly incurred, or whether matured or not, or whether alone or jointly with others, or whether as principal or surety, or whether absolute or contingent, and such amounts shall be paid by the undersigned together with all interest, commissions, costs, charges and expenses which may be incurred in respect of such advances or liabilities owed to you by the **BORROWER** or relating to any securities granted or pledged to you in respect thereof.

AND I, THE UNDERSIGNED, FURTHER ACKNOWLEDGE, AGREE AND ACCEPT THAT MY GUARANTEE HEREIN shall evidence the fact that I, the undersigned, have taken responsibility for fulfillment of all obligations owed to you by the **BORROWER** regardless of how or when such obligations were or will be incurred by the **BORROWER**.

AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE to be *jointly, severally & separately liable* and responsible to fulfill all repayment and other obligations owed to you by the **BORROWER** regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise your rights of enforcement against the **BORROWER** or any other person responsible to perform the **BORROWER'S** repayment and other obligations owed to you and regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise of your rights to enforce or realize upon any or all security pledged to you with respect to the performance of the **BORROWER'S** repayment or other obligations owed to you.

AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE that the amounts Guaranteed by me hereunder shall include any Penalties, Charges, Fees or Costs applicable to the **BORROWER** in respect of the foregoing amounts and shall be as equally payable by, and recoverable from, the undersigned either jointly, severally and separately with the **BORROWER** and any other person responsible to you in respect of such repayment and other obligations owed to you by the **BORROWER**.

IN WITNESS WHEREOF the undersigned has hereto set my hand and seal this 27th day of February, 2012.

SIGNED, SEALED and DELIVERED in the presence of:

Dirk Nielsen

Print Name: Dirk Nielsen
Address: 302 Westwood Dr
Wellington ON N0G 2V0
Phone Number: 519 907 2455
(Witness)


ADAM HOFMANN

POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT

**TO: SAUGEEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**

WHEREAS SAUGEEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION (the "**LENDER**") have agreed to provide certain credit facilities to BOGDON & GROSS FURNITURE COMPANY LIMITED (the "**BORROWER**") on the terms and conditions set out in a *Loan Agreement*, dated on or about the 24th day of February, 2012.

AND WHEREAS 2110785 ONTARIO INC. ("**2110785**") is the sole Shareholder of the Capital Stock in the *Borrower*.

AND WHEREAS THE UNDERSIGNED HEREBY ACKNOWLEDGES that the **LENDER** has required that I execute and deliver this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** as a condition precedent to **LENDER** agreeing to extend credit to the **BORROWER** under the terms of the *Loan Agreement*.

NOW, THEREFORE, in consideration of **LENDER** having agreed to grant the said Loan to the **BORROWER** and for the payment of ONE ~~-----~~ 00/100 DOLLAR (\$1.00) and other VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, namely 2110785 ONTARIO INC. (hereinafter referred to as the "**SUBORDINATOR**"), hereby agrees and undertakes as follows:

POSTPONEMENT, ASSIGNMENT & SUBORDINATION:

From the date hereof and until such time as all indebtedness, obligations and other liabilities owed by the **BORROWER** to the **LENDER** under the terms of the *Loan Agreement* or arising under any other agreement made between the **LENDER** and the **BORROWER** are entirely repaid and fulfilled, the **SUBORDINATOR** agrees to comply with and abide by all of the following terms, conditions and restrictions:

- (a) To postpone the payment and satisfaction of all **SHAREHOLDER LOANS, DIVIDENDS, BONUSES**, or any part thereof, and other rights to withdraw **CAPITAL** now or hereafter due and owing by the **BORROWER** to the **SUBORDINATOR**, including all interest accruing thereof (the "**Subordinated Obligations**") in favour of the **LENDER** and to subordinate the **Subordinated Obligations** to all **INDEBTEDNESS, LIABILITIES** and other **OBLIGATIONS** owed by the **BORROWER** to the **LENDER**;
- (b) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all debts, demands and liabilities which are now due, owing; or accruing due; or may hereafter become due, owing or accruing due to the **SUBORDINATOR** by or from the **BORROWER**.
- (c) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all securities, including any **CHARGES, MORTGAGES, SECURITY AGREEMENTS, FINANCING STATEMENTS** or other **SECURITY INSTRUMENTS** whether unregistered or registered in a **LAND REGISTRY OFFICE** or the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** or filed with any **SHERIFF** in any County within the Province of Ontario or elsewhere and including any rights of any nature which are now held, or may hereafter be held, by the **SUBORDINATOR** as security or collateral for the performance of the **BORROWER'S** obligations to the **SUBORDINATOR** and the same shall be deemed to be security granted and pledged by the **BORROWER** to the **LENDER** in the stead of the **SUBORDINATOR**;
- (d) That except with the prior written consent of the **Lendar**, any monies owing, or which may become owing, by or from the **BORROWER** to the **SUBORDINATOR** and which constitutes the **Subordinated Obligations**, shall not be withdrawn, transferred, pledged, encumbered, assigned or otherwise dealt with by the **SUBORDINATOR**, but shall remain as an

obligation, debt and liability within the Financial Books and other Records of the **BORROWER** at all times for so long as any amount of money, debts liabilities or other obligations remain owing by the **BORROWER** to the **LENDER** under the terms of the **Loan Agreement** or otherwise; and

- (e) Not to demand or accept payment of all, or any part, of the debt owed by or from the **BORROWER** to the **SUBORDINATOR** in respect of the **Subordinated Obligations**.

BANKRUPTCY OR OTHER INSOLVENCY

In the event of the **BANKRUPTCY** or **WINDING-UP** of the affairs of the **BORROWER**, or of any **DISTRIBUTION OF ASSETS** of the **BORROWER**, or **DISTRIBUTION OF THE PROCEEDS** thereof among its creditors or Shareholders in any manner whatsoever, the **LENDER** shall be entitled to receive the **DIVIDENDS** or **PROCEEDS**, if any, payable in respect of the **Subordinated Obligations**. Such **DIVIDENDS** or **PROCEEDS** shall be applied against or in satisfaction of such part, or parts, of the **BORROWER'S** indebtedness then owed to the **LENDER** in such manner as the **LENDER** shall deem fit and proper until the whole of such indebtedness has been paid in full, and thereafter, the **SUBORDINATOR** shall be entitled to demand and receive such **DIVIDENDS** or **PROCEEDS**.

CONSENT TO REGISTRATIONS

The **SUBORDINATOR** hereby consents to the **LENDER** registering or filing evidence of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** or any other **Caution, Notice, Instrument** or **Document** that may be desirable or required to evidence the existence and pledges or undertakings granted hereunder. Such registration may be made by means of a **Notice** or other instrument that is properly registrable in any **LAND REGISTRY OFFICE** in the Province of Ontario or elsewhere. Further, such registrations may be made by means of the filing of one or more **Financing Statements, Financing Change Statements**, or any similar **Registrations, Deposits** or **Filings** within the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** for the Province of Ontario or any other jurisdiction. The **SUBORDINATOR** hereby agrees and shall, upon receipt of a written request from the **LENDER**, undertake such **Registrations, Deposits** or **Filings** in any relevant or Prescribed Form, if applicable. Further, to facilitate the filing of any **Caution, Notice, Instrument** or any other **Document**, including any **Financing Statements, Financing Change Statements** or any similar **Registrations, Deposits** or **Filings** that the **LENDER** may require, the **SUBORDINATOR** hereby authorizes the **LENDER**, or its Solicitors or Agents, to prepare, execute and file such documents as agent of the **SUBORDINATOR**. The **SUBORDINATOR** hereby **WAIVES** all rights to receive a copy of any such **Caution, Notice, Instrument** or other **Document**, including any **Financing Statement, Verification Statement** and any **Financing Change Statement** relating thereto.

RECEIPTS FROM BORROWER AS TRUSTEE

In the event that any payments are made by the **BORROWER** to the **SUBORDINATOR** in contravention of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**, the **SUBORDINATOR** agrees to, and shall, hold such payments, money, assets or other valuables **IN TRUST FOR THE LENDER** and the **SUBORDINATOR** hereby agrees to forthwith pay and deliver such payments, money, assets or other valuables to the **LENDER** regardless of whether any demand has or will be made by the **LENDER** upon the **BORROWER** or **SUBORDINATOR**.

GENERAL PROVISIONS

- (a) The **SUBORDINATOR** shall, from time to time, and at all times hereafter, do all things and execute all documents that the **LENDER** may deem necessary or desirable in order to give full effect to this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**.
- (b) The **SUBORDINATOR** acknowledges that he or she has or will receive a direct or indirect benefit as a result of the **LENDER** having extended the above referenced Loan and credit facility to the **BORROWER**.

NUMBER, GENDER & EXPRESSIONS

Words importing the singular number shall include the plural and *vice versa*. Words importing the use of any gender shall include the masculine, feminine and neuter genders. Words importing natural persons shall include an individual, a trust, a

partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

GOVERNING LAW & ATTORNMENT

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of CANADA applicable therein. The parties agree that any action under or for the enforcement of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** may only be commenced in the Courts of the Province of Ontario and the parties attorn to the exclusive jurisdiction of those Courts.

HEIRS, SUCCESSORS & ASSIGNS

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall extend and enure to the benefit of and be binding upon the **LENDER**, the **SUBORDINATOR** and the **BORROWER** (where applicable) and each of their respective heirs, legal representatives, successors and assigns.

RIGHTS HELD BY THE LENDER

THE **BORROWER & SUBORDINATOR** HEREBY ACKNOWLEDGES, UNDERSTANDS AND AGREES that this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall not suspend or otherwise affect the present or future rights or remedies held by the **LENDER** with respect to the present or future indebtedness or liability of the **BORROWER** to the **LENDER**, or the securities that the **LENDER** now holds, or may hereafter receive, against and from the **BORROWER** as collateral to the said indebtedness and other liability.

IN WITNESS WHEREOF the parties hereto have executed this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** at the Town of WALKERTON, County of Bruce in the Province of Ontario on this 27th day of February, 2012.

SIGNED, SEALED & DELIVERED

2110785 ONTARIO INC.

Per:

ADAM HOFMANN
(President)

I have authority to bind the Corporation.

BORROWER'S ACKNOWLEDGEMENT & CONSENT

I, **ADAM HOFMANN** (President), on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED**, hereby acknowledge and consent to and shall abide by the terms and conditions of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**. Further, I hereby acknowledge and agree personally and on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED** to refrain from engaging or undertaking any actions that result in or otherwise facilitates a breach of the terms of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** to be committed by **2110785 ONTARIO INC.** or any other person.

SIGNED, SEALED & DELIVERED

BOGDON & GROSS FURNITURE COMPANY LIMITED

PER:

ADAM HOFMANN
(President)

I have authority to bind the Corporation.

POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT

**TO: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**

WHEREAS SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION (the "**LENDER**") have agreed to provide certain credit facilities to **BOGDON & GROSS FURNITURE COMPANY LIMITED** (the "**BORROWER**") on the terms and conditions set out in a *Loan Agreement*, dated on or about the 24th day of February, 2012.

AND WHEREAS 2110785 ONTARIO INC. ("**2110785**") is the sole Shareholder of the Capital Stock in the *Borrower*.

AND WHEREAS the undersigned is a Shareholder in the Capital Stock of **2110785**.

AND WHEREAS THE UNDERSIGNED HEREBY ACKNOWLEDGES that the **LENDER** has required that I execute and deliver this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** as a condition precedent to **LENDER** agreeing to extend credit to the **BORROWER** under the terms of the *Loan Agreement*.

NOW, THEREFORE, in consideration of **LENDER** having agreed to grant the said Loan to the **BORROWER** and for the payment of **ONE** ——— **00/100 DOLLAR (\$1.00)** and other VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, namely **ADAM HOFMANN** (hereinafter referred to as the "**SUBORDINATOR**"), hereby agrees and undertakes as follows:

POSTPONEMENT, ASSIGNMENT & SUBORDINATION:

From the date hereof and until such time as all indebtedness, obligations and other liabilities owed by the **BORROWER** to the **LENDER** under the terms of the *Loan Agreement* or arising under any other agreement made between the **LENDER** and the **BORROWER** are entirely repaid and fulfilled, the **SUBORDINATOR** agrees to comply with and abide by all of the following terms, conditions and restrictions:

- (a) To postpone the payment and satisfaction of all **SHAREHOLDER LOANS, DIVIDENDS, BONUSES**, or any part thereof, and other rights to withdraw **CAPITAL** now or hereafter due and owing by the **BORROWER** or **2110785** to the **SUBORDINATOR**, including all interest accruing thereof (the "**Subordinated Obligations**") in favour of the **LENDER** and to subordinate the **Subordinated Obligations** to all **INDEBTEDNESS, LIABILITIES** and other **OBLIGATIONS** owed by the **BORROWER** to the **LENDER**;
- (b) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all debts, demands and liabilities which are now due, owing; or accruing due; or may hereafter become due, owing or accruing due to the **SUBORDINATOR** by or from the **BORROWER** or **2110785**.
- (c) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all securities, including any **CHARGES, MORTGAGES, SECURITY AGREEMENTS, FINANCING STATEMENTS** or other **SECURITY INSTRUMENTS** whether unregistered or registered in a **LAND REGISTRY OFFICE** or the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** or filed with any **SHERIFF** in any County within the Province of Ontario or elsewhere and including any rights of any nature which are now held, or may hereafter be held, by the **SUBORDINATOR** as security or collateral for the performance of the **BORROWER'S** or **2110785's** obligations to the **SUBORDINATOR** and the same shall be deemed to be security granted and pledged by the **BORROWER** or **2110785** to the **LENDER** in the stead of the **SUBORDINATOR**;
- (d) That except with the prior written consent of the **Lender**, any monies owing, or which may become owing, by or from the **BORROWER** or **2110785** to the **SUBORDINATOR** and which constitutes the **Subordinated Obligations**, shall not be withdrawn, transferred, pledged, encumbered, assigned or otherwise dealt with by the **SUBORDINATOR**, but shall remain as an obligation, debt and liability within the Financial Books and other Records of the **BORROWER** or **2110785** at all times for so long as any amount of money, debts liabilities or other obligations

remain owing by the **BORROWER** to the **LENDER** under the terms of the **Loan Agreement** or otherwise; and

- (e) Not to demand or accept payment of all, or any part, of the debt owed by or from the **BORROWER** or **2110785** to the **SUBORDINATOR** in respect of the **Subordinated Obligations**.

BANKRUPTCY OR OTHER INSOLVENCY

In the event of the **BANKRUPTCY** or **WINDING-UP** of the affairs of the **BORROWER** or **2110785**, or of any **DISTRIBUTION OF ASSETS** of the **BORROWER** or **2110785**, or **DISTRIBUTION OF THE PROCEEDS** thereof among its creditors or Shareholders in any manner whatsoever, the **LENDER** shall be entitled to receive the **DIVIDENDS** or **PROCEEDS**, if any, payable in respect of the **Subordinated Obligations**. Such **DIVIDENDS** or **PROCEEDS** shall be applied against or in satisfaction of such part, or parts, of the **BORROWER'S** indebtedness then owed to the **LENDER** in such manner as the **LENDER** shall deem fit and proper until the whole of such indebtedness has been paid in full, and thereafter, the **SUBORDINATOR** shall be entitled to demand and receive such **DIVIDENDS** or **PROCEEDS**.

CONSENT TO REGISTRATIONS

The **SUBORDINATOR** hereby consents to the **LENDER** registering or filing evidence of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** or any other **Caution, Notice, Instrument** or **Document** that may be desirable or required to evidence the existence and pledges or undertakings granted hereunder. Such registration may be made by means of a **Notice** or other instrument that is properly registrable in any **LAND REGISTRY OFFICE** in the Province of Ontario or elsewhere. Further, such registrations may be made by means of the filing of one or more **Financing Statements, Financing Change Statements**, or any similar **Registrations, Deposits** or **Filings** within the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** for the Province of Ontario or any other jurisdiction. The **SUBORDINATOR** hereby agrees and shall, upon receipt of a written request from the **LENDER**, undertake such **Registrations, Deposits** or **Filings** in any relevant or Prescribed Form, if applicable. Further, to facilitate the filing of any **Caution, Notice, Instrument** or any other **Document**, including any **Financing Statements, Financing Change Statements** or any similar **Registrations, Deposits** or **Filings** that the **LENDER** may require, the **SUBORDINATOR** hereby authorizes the **LENDER**, or its Solicitors or Agents, to prepare, execute and file such documents as agent of the **SUBORDINATOR**. The **SUBORDINATOR** hereby **WAIVES** all rights to receive a copy of any such **Caution, Notice, Instrument** or other **Document**, including any **Financing Statement, Verification Statement** and any **Financing Change Statement** relating thereto.

RECEIPTS FROM BORROWER OR 2110785 AS TRUSTEE

In the event that any payments are made by the **BORROWER** or **2110785** to the **SUBORDINATOR** in contravention of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**, the **SUBORDINATOR** agrees to, and shall, hold such payments, money, assets or other valuables **IN TRUST FOR THE LENDER** and the **SUBORDINATOR** hereby agrees to forthwith pay and deliver such payments, money, assets or other valuables to the **LENDER** regardless of whether any demand has or will be made by the **LENDER** upon the **BORROWER, 2110785** or **SUBORDINATOR**.

GENERAL PROVISIONS

- (a) The **SUBORDINATOR** shall, from time to time, and at all times hereafter, do all things and execute all documents that the **LENDER** may deem necessary or desirable in order to give full effect to this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**.
- (b) The **SUBORDINATOR** acknowledges that he or she has or will receive a direct or indirect benefit as a result of the **LENDER** having extended the above referenced Loan and credit facility to the **BORROWER**.

NUMBER, GENDER & EXPRESSIONS

Words importing the singular number shall include the plural and *vice versa*. Words importing the use of any gender shall include the masculine, feminine and neuter genders. Words importing natural persons shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

GOVERNING LAW & ATTORNMENT

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of CANADA applicable therein. The parties agree that any action under or for the enforcement of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** may only be commenced in the Courts of the Province of Ontario and the parties attorn to the exclusive jurisdiction of those Courts.

HEIRS, SUCCESSORS & ASSIGNS

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall extend and enure to the benefit of and be binding upon the **LENDER**, the **SUBORDINATOR** and the **BORROWER** or **2110785** (where applicable) and each of their respective heirs, legal representatives, successors and assigns.

RIGHTS HELD BY THE LENDER

THE **BORROWER, 2110785 & SUBORDINATOR** HEREBY ACKNOWLEDGES, UNDERSTANDS AND AGREES that this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall not suspend or otherwise affect the present or future rights or remedies held by the **LENDER** with respect to the present or future indebtedness or liability of the **BORROWER** to the **LENDER**, or the securities that the **LENDER** now holds, or may hereafter receive, against and from the **BORROWER** as collateral to the said indebtedness and other liability.

IN WITNESS WHEREOF the parties hereto have executed this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** at the Town of WALKERTON, County of Bruce in the Province of Ontario on this 27th day of February, 2012.

SIGNED, SEALED & DELIVERED

In the presence of

Dirk Nielsen
 Print Name: Dirk Nielsen
 Address: 302 Westwood Dr
 Walkerton ON N0G 2V0
 Phone Number: 519 507 2455
 (Witness)

[Signature]
 ADAM HOFMANN
 (Director of the Borrower & Shareholder
 of 2110785 Ontario Inc.)

BORROWER'S ACKNOWLEDGEMENT & CONSENT

I, ADAM HOFMANN (*President*), on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED** and **2110785 ONTARIO INC.** hereby acknowledge and consent to and shall abide by the terms and conditions of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**. Further, I hereby acknowledge and agree personally and on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED** and **2110785 ONTARIO INC.** to refrain from engaging or undertaking any actions that result in or otherwise facilitates a breach of the terms of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** to be committed by ADAM HOFMANN or any other person.

SIGNED, SEALED & DELIVERED

**BOGDON & GROSS FURNITURE
 COMPANY LIMITED and
 2110785 ONTARIO INC.**
 PER:

[Signature]
 ADAM HOFMANN
 (President of each of the foregoing
 Corporations)

I have authority to bind each of the
 Corporations.

GUARANTEE OF DEBT REPAYMENT

TO: SAUGEEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION

WHEREAS you have agreed to enter into a *Loan Agreement* with BOGDON & GROSS FURNITURE COMPANY LIMITED (*hereinafter referred to as the 'BORROWER'*).

AND WHEREAS a condition of lending the funds as provided for within the said *Loan Agreement*, you have demanded security as hereunder written.

NOW THEREFORE in consideration of you lending funds to the *BORROWER*, either continuously or intermittently, so long as you may see fit and of such past, present or future advances as you may make to the *BORROWER*, I, THE UNDERSIGNED, HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE OF ALL DEBTS AND OTHER LIABILITIES OWED TO YOU BY THE *BORROWER* howsoever incurred including without limitation with respect to the repayment of all money or other consideration advanced or which may be advanced by you to the *BORROWER* and all liabilities, whether direct or indirect, to which you may become subject as a result of making advances to, or otherwise dealing with, the *BORROWER*.

AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING GUARANTEE, I PROMISE AND COVENANT TO YOU THAT I, THE UNDERSIGNED, HEREBY GUARANTEE THE DUE PAYMENT AND DISCHARGE of all debts, money or liabilities now owing by the *BORROWER* to you, or which shall at any time, or from time to time, hereafter become liable or owing by the *BORROWER* to you, whether directly or indirectly incurred, or whether matured or not, or whether alone or jointly with others, or whether as principal or surety, or whether absolute or contingent, and such amounts shall be paid by the undersigned together with all interest, commissions, costs, charges and expenses which may be incurred in respect of such advances or liabilities owed to you by the *BORROWER* or relating to any securities granted or pledged to you in respect thereof.

AND I, THE UNDERSIGNED, FURTHER ACKNOWLEDGE, AGREE AND ACCEPT THAT MY GUARANTEE HEREIN shall evidence the fact that I, the undersigned, have taken responsibility for fulfillment of all obligations owed to you by the *BORROWER* regardless of how or when such obligations were or will be incurred by the *BORROWER*.

AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE to be *jointly, severally & separately liable* and responsible to fulfill all repayment and other obligations owed to you by the *BORROWER* regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise your rights of enforcement against the *BORROWER* or any other person responsible to perform the *BORROWER'S* repayment and other obligations owed to you and regardless of whether you have taken, intend to take or exhausted any or all steps or actions in exercise of your rights to enforce or realize upon any or all security pledged to you with respect to the performance of the *BORROWER'S* repayment or other obligations owed to you.

AND I, THE UNDERSIGNED, HEREBY ACKNOWLEDGE AND AGREE that the amounts Guaranteed by me hereunder shall include any Penalties, Charges, Fees or Costs applicable to the **BORROWER** in respect of the foregoing amounts and shall be as equally payable by, and recoverable from, the undersigned either jointly, severally and separately with the **BORROWER** and any other person responsible to you in respect of such repayment and other obligations owed to you by the **BORROWER**.

IN WITNESS WHEREOF the undersigned has hereto set my hand and seal this 27th day of February, 2012.

SIGNED, SEALED and DELIVERED in the presence of:



Print Name: ADAM HOFFMANN
Address: 257-4th ST. C2
HANOVER OH

Phone Number:
(Witness) 519-367-0266

Dirk Nielsen
DIRK NIELSEN
Dirk

POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT

**TO: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**

WHEREAS SAUGEEN ECONOMIC DEVELOPMENT CORPORATION and BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION (the "**LENDER**") have agreed to provide certain credit facilities to BOGDON & GROSS FURNITURE COMPANY LIMITED (the "**BORROWER**") on the terms and conditions set out in a **Loan Agreement**, dated on or about the 24th day of February, 2012.

AND WHEREAS 2110785 ONTARIO INC. ("**2110785**") is the sole Shareholder of the Capital Stock in the **Borrower**.

AND WHEREAS the undersigned is a Shareholder in the Capital Stock of **2110785**.

AND WHEREAS THE UNDERSIGNED HEREBY ACKNOWLEDGES that the **LENDER** has required that I execute and deliver this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** as a condition precedent to **LENDER** agreeing to extend credit to the **BORROWER** under the terms of the **Loan Agreement**.

NOW, THEREFORE, in consideration of **LENDER** having agreed to grant the said Loan to the **BORROWER** and for the payment of ONE ----- 00/100 DOLLAR (\$1.00) and other VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the undersigned, namely DIRK NIELSEN (hereinafter referred to as the "**SUBORDINATOR**"), hereby agrees and undertakes as follows:

POSTPONEMENT, ASSIGNMENT & SUBORDINATION:

From the date hereof and until such time as all indebtedness, obligations and other liabilities owed by the **BORROWER** to the **LENDER** under the terms of the **Loan Agreement** or arising under any other agreement made between the **LENDER** and the **BORROWER** are entirely repaid and fulfilled, the **SUBORDINATOR** agrees to comply with and abide by all of the following terms, conditions and restrictions:

- (a) To postpone the payment and satisfaction of all **SHAREHOLDER LOANS, DIVIDENDS, BONUSES**, or any part thereof, and other rights to withdraw **CAPITAL** now or hereafter due and owing by the **BORROWER** or **2110785** to the **SUBORDINATOR**, including all interest accruing thereof (the "**Subordinated Obligations**") in favour of the **LENDER** and to subordinate the **Subordinated Obligations** to all **INDEBTEDNESS, LIABILITIES** and other **OBLIGATIONS** owed by the **BORROWER** to the **LENDER**;
- (b) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all debts, demands and liabilities which are now due, owing; or accruing due; or may hereafter become due, owing or accruing due to the **SUBORDINATOR** by or from the **BORROWER** or **2110785**.
- (c) To assign and transfer to the **LENDER** (as security for the **Subordinated Obligations** and all liabilities of the **BORROWER** owed to the **LENDER**) all securities, including any **CHARGES, MORTGAGES, SECURITY AGREEMENTS, FINANCING STATEMENTS** or other **SECURITY INSTRUMENTS** whether unregistered or registered in a **LAND REGISTRY OFFICE** or the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** or filed with any **SHERIFF** in any County within the Province of Ontario or elsewhere and including any rights of any nature which are now held, or may hereafter be held, by the **SUBORDINATOR** as security or collateral for the performance of the **BORROWER'S** or **2110785's** obligations to the **SUBORDINATOR** and the same shall be deemed to be security granted and pledged by the **BORROWER** or **2110785** to the **LENDER** in the stead of the **SUBORDINATOR**;
- (d) That except with the prior written consent of the **Lender**, any monies owing, or which may become owing, by or from the **BORROWER** or **2110785** to the **SUBORDINATOR** and which constitutes the **Subordinated Obligations**, shall not be withdrawn, transferred, pledged, encumbered, assigned or otherwise dealt with by the **SUBORDINATOR**, but shall remain as an obligation, debt and liability within the Financial Books and other Records of the **BORROWER** or **2110785** at all times for so long as any amount of money, debts liabilities or other obligations

remain owing by the **BORROWER** to the **LENDER** under the terms of the **Loan Agreement** or otherwise; and

- (e) Not to demand or accept payment of all, or any part, of the debt owed by or from the **BORROWER** or **2110785** to the **SUBORDINATOR** in respect of the **Subordinated Obligations**.

BANKRUPTCY OR OTHER INSOLVENCY

In the event of the **BANKRUPTCY** or **WINDING-UP** of the affairs of the **BORROWER** or **2110785**, or of any **DISTRIBUTION OF ASSETS** of the **BORROWER** or **2110785**, or **DISTRIBUTION OF THE PROCEEDS** thereof among its creditors or Shareholders in any manner whatsoever, the **LENDER** shall be entitled to receive the **DIVIDENDS** or **PROCEEDS**, if any, payable in respect of the **Subordinated Obligations**. Such **DIVIDENDS** or **PROCEEDS** shall be applied against or in satisfaction of such part, or parts, of the **BORROWER'S** indebtedness then owed to the **LENDER** in such manner as the **LENDER** shall deem fit and proper until the whole of such indebtedness has been paid in full, and thereafter, the **SUBORDINATOR** shall be entitled to demand and receive such **DIVIDENDS** or **PROCEEDS**.

CONSENT TO REGISTRATIONS

The **SUBORDINATOR** hereby consents to the **LENDER** registering or filing evidence of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** or any other **Caution, Notice, Instrument or Document** that may be desirable or required to evidence the existence and pledges or undertakings granted hereunder. Such registration may be made by means of a Notice or other instrument that is properly registrable in any **LAND REGISTRY OFFICE** in the Province of Ontario or elsewhere. Further, such registrations may be made by means of the filing of one or more **Financing Statements, Financing Change Statements**, or any similar **Registrations, Deposits or Filings** within the **PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM** for the Province of Ontario or any other jurisdiction. The **SUBORDINATOR** hereby agrees and shall, upon receipt of a written request from the **LENDER**, undertake such **Registrations, Deposits or Filings** in any relevant or Prescribed Form, if applicable. Further, to facilitate the filing of any **Caution, Notice, Instrument or** any other **Document**, including any **Financing Statements, Financing Change Statements** or any similar **Registrations, Deposits or Filings** that the **LENDER** may require, the **SUBORDINATOR** hereby authorizes the **LENDER**, or its Solicitors or Agents, to prepare, execute and file such documents as agent of the **SUBORDINATOR**. The **SUBORDINATOR** hereby **WAIVES** all rights to receive a copy of any such **Caution, Notice, Instrument or other Document**, including any **Financing Statement, Verification Statement** and any **Financing Change Statement** relating thereto.

RECEIPTS FROM BORROWER OR 2110785 AS TRUSTEE

In the event that any payments are made by the **BORROWER** or **2110785** to the **SUBORDINATOR** in contravention of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**, the **SUBORDINATOR** agrees to, and shall, hold such payments, money, assets or other valuables **IN TRUST FOR THE LENDER** and the **SUBORDINATOR** hereby agrees to forthwith pay and deliver such payments, money, assets or other valuables to the **LENDER** regardless of whether any demand has or will be made by the **LENDER** upon the **BORROWER, 2110785** or **SUBORDINATOR**.

GENERAL PROVISIONS

- (a) The **SUBORDINATOR** shall, from time to time, and at all times hereafter, do all things and execute all documents that the **LENDER** may deem necessary or desirable in order to give full effect to this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**.
- (b) The **SUBORDINATOR** acknowledges that he or she has or will receive a direct or indirect benefit as a result of the **LENDER** having extended the above referenced Loan and credit facility to the **BORROWER**.

NUMBER, GENDER & EXPRESSIONS

Words importing the singular number shall include the plural and *vice versa*. Words importing the use of any gender shall include the masculine, feminine and neuter genders. Words importing natural persons shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

GOVERNING LAW & ATTORNMENT

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of CANADA applicable therein. The parties agree that any action under or for the enforcement of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** may only be commenced in the Courts of the Province of Ontario and the parties attorn to the exclusive jurisdiction of those Courts.

HEIRS, SUCCESSORS & ASSIGNS

This **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall extend and enure to the benefit of and be binding upon the **LENDER**, the **SUBORDINATOR** and the **BORROWER** or **2110785** (where applicable) and each of their respective heirs, legal representatives, successors and assigns.


RIGHTS HELD BY THE LENDER

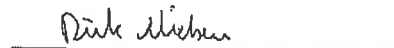
THE **BORROWER, 2110785 & SUBORDINATOR** HEREBY ACKNOWLEDGES, UNDERSTANDS AND AGREES that this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** shall not suspend or otherwise affect the present or future rights or remedies held by the **LENDER** with respect to the present or future indebtedness or liability of the **BORROWER** to the **LENDER**, or the securities that the **LENDER** now holds, or may hereafter receive, against and from the **BORROWER** as collateral to the said indebtedness and other liability.

IN WITNESS WHEREOF the parties hereto have executed this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** at the Town of WALKERTON, County of Bruce in the Province of Ontario on this 27th day of February, 2012.

SIGNED, SEALED & DELIVERED

In the presence of


Print Name: Adam Hofmann
Address: 257-4455 CA
Phone Number: 519-364-0266
(Witness)



DIRK NIELSEN
(Director of the Borrower & Shareholder of 2110785 Ontario Inc.)

BORROWER'S ACKNOWLEDGEMENT & CONSENT

I, ADAM HOFMANN (*President*), on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED** and **2110785 ONTARIO INC.** hereby acknowledge and consent to and shall abide by the terms and conditions of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT**. Further, I hereby acknowledge and agree personally and on behalf of **BOGDON & GROSS FURNITURE COMPANY LIMITED** and **2110785 ONTARIO INC.** to refrain from engaging or undertaking any actions that result in or otherwise facilitates a breach of the terms of this **POSTPONEMENT, ASSIGNMENT & SUBORDINATION AGREEMENT** to be committed by **DIRK NIELSEN** or any other person.

SIGNED, SEALED & DELIVERED

BOGDON & GROSS FURNITURE COMPANY LIMITED and **2110785 ONTARIO INC.**
PER:


ADAM HOFMANN
(President of each of the foregoing Corporations)

I have authority to bind each of the Corporations.

PRIORITIES AGREEMENT

THIS AGREEMENT dated as of the 21st day of February, 2012.

B E T W E E N:

SAUGEEN ECONOMIC DEVELOPMENT CORPORATION
and **BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION**, each being a corporation incorporated under the laws of the Province of Ontario,

(collectively, "SEDC & BCFDC" and separately, "SEDC" and "BCFDC" respectively)

OF THE FIRST PART

- and -

TCE CAPITAL CORPORATION, a corporation incorporated under the laws of the Province of Ontario,

("TCE")

OF THE SECOND PART

- and -

BOGDON & GROSS FURNITURE COMPANY LIMITED, a corporation incorporated under the laws of the Province of Ontario,

(the "Company")

OF THE THIRD PART

IN CONSIDERATION of the mutual agreements contained herein, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.01 In this Agreement, the following terms have the following meanings:

- (a) "Accounts" means any and all accounts receivable now or hereafter arising under contracts between any person (*i.e.*, an account debtor) and the Company for the supply by the Company of goods or other materials, services, or a combination of goods or other materials and services, together with all rights under or in relation to the contracts to which such accounts receivable relate, including all liens or other

rights in any good, material, or product or any service that is to be supplied, all instruments (*including, for greater certainty, negotiable instruments, bills of exchange, cheques and post-dated cheques*), guarantees and security interests taken or held by the Company to secure the performance of any or all of the obligations of the account debtors and the right of the Company to rescind or terminate such contracts or to accept a return of any goods or other materials supplied under such contracts; provided, however, that for purposes of this Agreement, "Accounts" shall not include any proceeds from the sale, disposition or realization of any Equipment or real property of the Company;

- (b) "**Creditors**" means, collectively, TCE and SEDC & BCFDC and "**Creditor**" means either TCE or SEDC & BCFDC;
- (c) "**Inventory**" means any and all goods that are held by the Company for sale or that are to be furnished or have been furnished by the Company under a contract of service or sale or a combination of service and sale, or that are work in process or materials used or consumed in any business of the Company;
- (d) "**Manufacturing Machinery & Equipment**" means goods that are not Inventory;
- (e) "**proceeds**" shall have the meaning ascribed to such term in the *Personal Property Security Act* (Ontario);
- (f) "**Real Property**" shall mean the Lands & Premises located at Municipal Address known as 75 Ridout Street, WALKERTON, Ontario and as otherwise described within PIN 33198-0289(LT) situate within the County of Bruce, Ontario;
- (g) "**SEDC & BCFDC Security**" shall mean any security interest held by SEDC & BCFDC, now or in the future, in any assets of the Company, including the charge/mortgage registered against title to the Real Property in the principal amount of THREE HUNDRED THOUSAND-----00/100 DOLLARS (\$300,000.00) as evidenced by Instrument Number BR246; and
- (h) "**TCE Security**" shall mean any security interest held by TCE, now or in the future, in any assets of the Company including a charge/mortgage to be registered in its favour against title to the Real Property in the principal amount of FIVE HUNDRED THOUSAND-----00/100 DOLLARS (\$500,000.00).

For greater certainty, the expression "SEDC & BCFDC" is used in this Agreement to identify SEDC & BCFDC as a unit, reflecting that loans to the Company and security in the assets of the Company are made and held by SEDC & BCFDC jointly. Any loans or other financial accommodations to the Company now or hereafter made by either of them separately shall be deemed for purposes of this Agreement to be indebtedness and obligations of the Company to "SEDC & BCFDC" and any security held by either of them separately shall be deemed to be included in the "SEDC & BCFDC Security".

ARTICLE 2 -- ACKNOWLEDGMENTS & CONSENTS

- 2.01 SEDC & BCFDC consents to the creation and issue by the Company to TCE of the TCE Security, agrees that the said creation and issuance shall not constitute an event of default under the SEDC & BCFDC Security and consents to the incurring by the Company of the indebtedness and obligations secured by the TCE Security.
- 2.02 SEDC & BCFDC further consents to the absolute assignment from time to time by the Company to TCE of any Accounts and all proceeds thereof, free and clear of the SEDC & BCFDC Security.
- 2.03 TCE consents to the creation and issue by the Company to SEDC & BCFDC of the SEDC & BCFDC Security, agrees that the said creation and issuance shall not constitute an event of default under the TCE Security and consents to the incurring by the Company of the indebtedness and obligations secured by the SEDC & BCFDC Security.
- 2.04 TCE acknowledges being advised that SEDC & BCFDC is currently in the process of granting an additional loan to the Company in the principal amount of TWO HUNDRED THOUSAND ----- 00/100 DOLLARS (\$200,000.00) (the "New SEDC & BCFDC Loan") such that following advance of the New SEDC & BCFDC Loan, the aggregate total principal amount of indebtedness of the Company owing to SEDC & BCFDC and secured by the SEDC & BCFDC Security will be no more than FOUR HUNDRED & FIFTY THOUSAND -----00/100 DOLLARS (\$450,000.00).

ARTICLE 3 - SUBORDINATION

- 3.01 The SEDC & BCFDC Security and the TCE Security, subject to Section 3.04, shall have the following priorities as against one another and are hereby subordinated and postponed to give effect to such priorities:
- (a) The SEDC & BCFDC Security shall have priority over the TCE Security in respect of any and all Manufacturing Machinery and Equipment and all proceeds thereof, to the extent of the Company's indebtedness and obligations to SEDC & BCFDC from time to time to the aggregate maximum principal amount of TWO HUNDRED THOUSAND-----00/100 DOLLARS (\$200,000.00) together with all accrued interest thereon and all costs, charges and expenses incurred by SEDC & BCFDC in connection therewith;
- (b) The SEDC & BCFDC Security shall have priority over the TCE Security in respect of the Real Property to the extent of the Company's indebtedness and obligations to SEDC & BCFDC from time to time to the aggregate maximum principal amount of THREE HUNDRED THOUSAND-----00/100 DOLLARS (\$300,000.00) together with all accrued interest thereon and all costs, charges and expenses incurred by SEDC & BCFDC in connection therewith; and

- (c) The TCE Security shall have priority over the SEDC & BCFDC Security, except as set out in paragraphs 3.01(a) and 3.01(b) above.
- 3.02 Subject to Section 3.04, the subordination and postponements contained herein shall apply in all events and circumstances regardless of:
- (a) The date of execution, attachment, registration or perfection of any security interest held by SEDC & BCFDC or TCE;
- (b) The date of any advance or advances made to the Company by SEDC & BCFDC or TCE;
- (c) The date of default by the Company under any of the SEDC & BCFDC Security or the TCE Security or the dates of crystallization of any floating charges held by SEDC & BCFDC or TCE;
- (d) The date of any notice to or demand upon the Company (*or the failure to give any notice or demand*); or
- (e) Any priority granted by any principle of law or any statute, including any personal property security, corporation securities registration or like statute.
- 3.03 Any proceeds of insurance or expropriation received by the Company, SEDC & BCFDC or TCE in respect of the collateral charged by the SEDC & BCFDC Security or the TCE Security shall be dealt with as though such proceeds of insurance or expropriation were paid or payable as proceeds of realization of the collateral for which they compensate.
- 3.04 If any of the SEDC & BCFDC Security or the TCE Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than SEDC & BCFDC or TCE by a court of competent jurisdiction and all appeals from any such finding have been heard and determined or the period for making any such appeal has expired without an appeal being made, the foregoing provisions of this Article 3 shall not apply to such security. If any third party shall have a valid claim to the proceeds of any of the property or assets of the Company in priority to or on a parity with one of the Creditors but not in priority to or on a parity with the other Creditor, then this Agreement shall not apply so as to diminish the rights (*as such rights would have been but for the provisions of this Agreement*) of such other Creditor against any such other third party to the proceeds of disposition of such property or assets. None of the parties hereto shall take any steps or do any act or thing whereby the priorities provided for herein may be defeated or impaired.

- 3.05 The Creditors shall allow each other, and their respective agents, access at all reasonable times to any property and assets of the Company upon which such other Creditor has a charge or security interest to view the same, and access to, so as to make copies of or extracts from, any books of account and all records, ledgers, reports, documents and other writings relating to such property and assets, and to permit such other Creditor at all reasonable times to remove any property and assets of the Company upon which its charge or security interest has priority under this Agreement from the premises of the Company, without interference, provided that such other Creditor shall promptly repair any damage caused to the premises by the removal of any such property or assets and the Company waives any right to require security for the costs of such repair or compensation.

ARTICLE 4 - COVENANTS OF THE COMPANY

- 4.01 The Company hereby confirms to and agrees with the Creditors that so long as the Company remains obligated or indebted to the Creditors, it shall hold and deal with its assets for the Creditors in accordance with their respective interests and priorities under this Agreement.

ARTICLE 5 - GENERAL

- 5.01 Each Creditor shall provide to the other Creditor from time to time upon request full information and particulars as to the amounts owing by the Company to that Creditor, the performance by the Company of its obligations to that Creditor and any other information which the party requesting the same deems material. The Company consents to such disclosure.
- 5.02 The Creditors and the Company shall do, perform, execute and deliver all acts, deeds and documents at the reasonable request of either Creditor and at the expense of the Company as may be necessary from time to time to give full force and effect to the intent of this Agreement.
- 5.03 Neither SEDC & BCFDC nor TCE shall transfer or assign any of the SEDC & BCFDC Security or the TCE Security without obtaining from the assignee or transferee an agreement to be bound by the provisions of this Agreement to the same extent as the Creditor assigning same.

- 5.04 Any notice or written communication given pursuant to or in connection with this Agreement shall be in writing and shall be given by delivering the same personally or by prepaid courier, pre-paid registered mail or telecopier, addressed to the party to be notified, at the address of such party set out below, or at such other address of which such party has given notice to the other parties hereto. Any such notice shall be conclusively deemed to have been given and received on the actual date of receipt by the addressee if given by personal delivery, prepaid courier or telecopier, or, if given by pre-paid registered mail, on the fifth day following the mailing date (*absent a general disruption in postal service*).

To SEDC & BCFDC at:

515 Mill Street
P. O. Box 177
Neustadt, Ontario
N0G 2M0

Fax: 519-799-5752

Attention: ROSE AUSTIN (*General Manager*)

To TCE at:

505 Consumers Road
Suite 707
Toronto, Ontario
M2J 4V8

Fax: 416-497-3139

Attention: President

To the Company at:

75 Ridout Street,
Walkerton, Ontario N0G 2V0

Fax: 519-881-1068

Attention: President

- 5.05 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

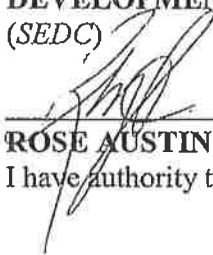
- 5.06 Neither SEDC & BCFDC nor TCE shall transfer or assign their respective rights or obligations under this Agreement, except in connection with a transfer or assignment of the SEDC & BCFDC Security or the TCE Security as provided in Section 5.03. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5.07 This Agreement shall be governed by the laws of Ontario.
- 5.08 This Agreement shall constitute a continuing agreement, notwithstanding that the Company may not be indebted or obligated to a Creditor at any time, and each Creditor may, without notice to the other Creditor, purchase receivables, lend money, extend credit and make other financial accommodations to or for the account of the Company on the faith hereof. Nothing herein shall restrict any Creditor from revising, replacing, amending or supplementing the security in its favour, or acquiring additional encumbrances upon any property or assets of the Company (*now or hereafter acquired*), provided that all such securities and encumbrances shall be held and dealt with in accordance with the provisions herein. This Agreement shall continue in force until terminated by the mutual consent in writing of the Creditors or until either of the Creditors has discharged all of the security in its favour granted by the Company.
- 5.9 Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated except by instrument in writing, signed by the parties or by the party against whom enforcement of the change, waiver, discharge or termination is sought. Notwithstanding the foregoing, no consent of the Company shall be necessary to any amendment to the terms hereof by the Creditors unless the interests of the Company are directly affected hereby.
- 5.10 Nothing contained in this Agreement shall be construed as conferring any rights or benefits of any kind whatsoever upon the Company, or any person who is not a party to this Agreement, or as modifying an other agreement between the Creditors or any of them and the Company, and the Company shall not be entitled to enforce any provision of this Agreement.
- 5.11 Any provision of this Agreement which is invalid or unenforceable under the laws of any jurisdiction in which this Agreement is sought to be enforced shall, as to such jurisdiction, and to the extent such provision is invalid or unenforceable, be deemed severable and shall not affect any other provision of this Agreement.
- 5.12 This Agreement contains the entire understanding of the parties with respect to the priority of the SEDC & BCFDC Security and the TCE Security and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the priority of the SEDC & BCFDC Security and the TCE Security. There are no restrictions, agreements, promises, warranties,

covenants or undertakings relating to the priority of the SEDC & BCFDC Security and the TCE Security other than those set forth in this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

**SAUGEEN ECONOMIC
DEVELOPMENT CORPORATION
(SEDC)**


Per:



ROSE AUSTIN (*General Manager*)
I have authority to bind the Corporation.

**BRUCE COMMUNITY FUTURES
DEVELOPMENT CORPORATION
(BCFDC)**

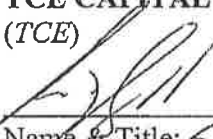
Per:



BARBARA FISHER (*General Manager*)
I have authority to bind the Corporation.

**TCE CAPITAL CORPORATION
(TCE)**

Per:



Name & Title: **GRETCHEN**
(Authorized Signing Officer)
VP SALES & MARKETING

**BOGDON & GROSS
FURNITURE COMPANY LIMITED
(the Company)**

Per:



ADAM HOFFMANN (*President*)
(Authorized Signing Officer)

DATED February 21st 2012.

BETWEEN:

**SAUGEEN ECONOMIC
DEVELOPMENT CORPORATION and
BRUCE COMMUNITY
FUTURES DEVELOPMENT CORPORATION**

- and -

TCE CAPITAL CORPORATION

- and -

**BOGDON & GROSS
FURNITURE COMPANY LIMITED**

PRIORITIES AGREEMENT

COPY

SUBORDINATION AGREEMENT

TO: SAUGEEN ECONOMIC DEVELOPMENT CORPORATION &
BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION
("SEDC & BCFDC")

AND TO: KEVIN W. McMEEKEN LAW OFFICE
(Solicitors representing SEDC & BCFDC)

RE: BOGDON & GROSS FURNITURE COMPANY LIMITED ("Debtor")

R & M NELSON HOLDINGS LTD. ("Creditor") hereby acknowledges that Debtor is a debtor of Creditor and being aware that SEDC & BCFDC has agreed to provide certain credit facilities to Debtor upon terms and conditions which include SEDC & BCFDC having priority security interests (collectively, the "SEDC & BCFDC Security") in all present and after acquired personal property of Debtor and all proceeds thereof (collectively, the "Collateral").

For good and valuable consideration acknowledged to have been received, Creditor, subject only as hereinafter provided, hereby postpones and subordinates in favour of SEDC & BCFDC and the SEDC & BCFDC Security all of Creditor's security interests of every nature and kind [*including, without limitation, those now or hereafter perfected under the Personal Property Security Act (Ontario) under Registration Number 20090106 1605 1590 0321 and File Number 650872224*] in or against any or all of the Collateral (collectively, the "Creditor Security").

Provided, however, as follows:

- i. if any of the SEDC & BCFDC Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than Creditor by a court of competent jurisdiction and all appeals from any such finding have been heard and determined or the period for making any such appeal has expired without any appeal being made, then the foregoing postponements and subordinations shall not apply to such security; and
- ii. if any third party shall have a valid claim to any of the Collateral in priority to or on a parity with SEDC & BCFDC, but not in priority to or on a parity with Creditor, then the foregoing postponements and subordinations shall not apply so as to diminish the rights of Creditor against any such third party to such Collateral.

Subject only as provided immediately above, the postponements and subordinations contained herein shall apply in all circumstances regardless of:

- a) the date of execution, attachment, registration or perfection of any security interest held by SEDC & BCFDC or Creditor;
- b) the date of any advance or advances made to Debtor by SEDC & BCFDC or Creditor;
- c) the date of any supply or supplies made to Debtor by SEDC & BCFDC or Creditor;

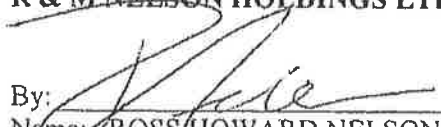
- d) the date of default by Debtor under any of the SEDC & BCFDC Security or the Creditor Security or the dates of crystallization of any floating charges held by SEDC & BCFDC or Creditor;
- e) the date of any notice to or demand upon Debtor (*or the failure to give any notice or demand*); or
- f) any priority granted by any principle of law or any statute, including, without limitation, any personal property security, corporation securities registration or like statute.

Creditor agrees to sign and deliver to SEDC & BCFDC for registration at the expense of Creditor or Debtor, all financing change statements or other documents as may be required from time to time by SEDC & BCFDC, acting reasonably, to record or better implement the foregoing postponements and subordinations in favour of SEDC * BCFDC. Without limiting the generality of the foregoing, Creditor authorizes any of SEDC & BCFDC, their lawyers or the Debtor's lawyers to sign and register as Creditor's agent a FINANCING CHANGE STATEMENT to record the within subordination of the Creditor Security in the Collateral perfected under the file number listed above.

This agreement shall *enure* to the benefit of SEDC & BCFDC and its successors and assigns and shall be binding upon Creditor and Creditor's successors and assigns. This agreement may be executed and delivered by telecopier or other electronic means of transmission.

DATED as of the 21st day of February, 2012.

R & M NELSON HOLDINGS LTD.

By:  c/s
Name: ROSS HOWARD NELSON
Title: President
(Authorized Signing Officer)

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR
CONDUCTED ON: BOGDON & GROSS FURNITURE COMPANY LIMITED
FILE CURRENCY: January 4, 2012

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 15 OF 20 ENQUIRY PAGE : 24 OF 32

SEARCH : BD : BOGDON & GROSS FURNITURE COMPANY LIMITED

00 FILE NUMBER : 667201878 EXPIRY DATE : 18JAN 2016 STATUS :
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
REG NUM : 20110118 1947 1531 7278 REG TYP: P PPSA REG PERIOD: 5
02 IND DOB : IND NAME:
03 BUS NAME: BOGDON & GROSS FURNITURE COMPANY LIMITED
OCN :
04 ADDRESS : 75 RIDOUT STREET
CITY : WALKERTON PROV: ON POSTAL CODE: NOG 2V0
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

SAUGEEN ECONOMIC DEVELOPMENT CORPORATION

09 ADDRESS : 515 MILL STREET, PO BOX 177

CITY : NEUSTADT PROV: ON POSTAL CODE: NOG 2M0
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X
YEAR MAKE MODEL V.I.N.

11

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GENERAL COLLATERAL DESCRIPTION

13

14

15

16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS : 4126 NORLAND AVENUE

CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

END OF FAMILY

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

*Reg. of Sec Int for BIG Furniture
in favour of SBOC
(January 18/11)*

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2012/03/14 074 01592
 1590A20120314G

Registration No. (for office use only) / N° d'enregistrement (usage interne)

YYYY/AAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

01 Adding BCFC to sec 3 of
 Reg for removal of BCFC on
 January 18/14



Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form 3C / Formule 3C

10553(03/05)

Registered Under (office use only) / Enregistré aux termes de (usage interne)

Reference File Number / N° de dossier de référence

667201878

Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C)

Enter Number of Additional Years if Renewal (see above) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit)

First Given Name / Premier prénom

Initial / Initiale

Surname / Nom de famille

Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit)

BOGDON & GROSS FURNITURE COMPANY LIMITED

Ontario Corporation No. / N° matricule de la personne morale en Ontario

Secured Party/Lien Claimant/Registration Agent / Créancier garanti/ Créancier privilégié/Agent d'enregistrement

Address / Adresse

City, etc / Ville, etc

Prov./Prov. Postal Code/Code postal

KEVIN W. MCMEEKEN LAW OFFICE
 207 10TH STREET
 HANOVER ON N4N 1N8

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/ créancier privilégié OU Nom du créancier garanti/ créancier privilégié ET nom et signature de l'agent du créancier garanti/ créancier privilégié

This form must not be reproduced for registration purposes. / Cette formule ne doit pas être reproduite aux fins d'enregistrement.

(Cut along dotted line / Détachez à la ligne pointillée)

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Verification Statement/État de vérification

Page/ Page	Line/ Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. / *La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page/ Page	OF/ DE	Total Page/ Nombre de pages	*Expiry Date / *Date d'expiration
1	1		1	1	1	2016/01/18
C	1 01	CAUTION FILING/AVERTIS:	PAGE:	1 OF/DE: 1		MV SCHEDULE
C	1 01	ATTACHED/LISTE VA:	REG NUM/NO ENREGIST:	20120314 1113 1590 7699		
C	1 01	REG UNDER/T. ENREG:				
C	1 21	667201878				
C	1 22	AMEND - PAGE/CORR PAGE:	NO PAGE/AUCUNE: X			CHANGE/MODIF: A
C	1 22	REN YEARS/REN ANNEES:	CORR PER/PER EXAC:			
C	1 24	BOGDON & GROSS FURNITURE COMPANY LIMITED				
C	1 26	TO ADD SECURED PARTY				
C	1 08	BRUCE COMMUNITY FUTURES DEVELOPMENT CORPORATION				
C	1 09	281 DURHAM STREET, P.O. BOX 208				
C	1 09	KINCARDINE ON N2Z 2Y7				
C	1 16	KEVIN W. MCMEEKEN LAW OFFICE				
C	1 17	207 10TH STREET				
C	1 17	HANOVER ON N4N 1N8				
*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***						

IN THE MATTER OF THE PROPOSAL OF
BOGDON & GROSS FURNITURE COMPANY LIMITED
OF THE TOWN OF COCHRANE
IN THE PROVINCE OF ONTARIO

Court File No. 35-1844150
Estate File No.: 35-1844150

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(VOLUME I of II)

PALLET VALO LLP
Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower
Suite 300
Mississauga, Ontario
L5B 1M5

Greg Azeff (LSUC #45324C)
Asim Iqbal (LSUC #61884B)

Tel: (905) 273-3300
Fax: (905) 273-6920

Lawyers for Bogdon & Gross Furniture Company Limited