SCHEDULE "K"
Agreement of Purchase and Sale
Commercial

This Agreement of Purchase and Sale dated this 16th day of April, 2015.

BUYER, 2462357 Ontario Inc., agrees to purchase from

(Provide names of all Buyers)

SELLER, 2164659 Ontario Inc., the following

(Provide names of all Sellers)

REAL PROPERTY:

Address: 2.76 acre development parcel known municipally as 4583, 4589, and 4601 Mississauga Road, Mississauga, Ontario, Canada. It fronts on the East side of Mississauga Road in the City of Mississauga (south of Eglinton), Province of Ontario (Mont Pelier Project) and having a frontage of 632.5 ft. (Draft Plan) more or less by a depth of (variable) more or less legally described as Part of Lts 3 and 4, Range 5, North of Dundas Street, City of Mississauga, Regional Municipality of Peel, described (legal description of land including easements not described elsewhere) as "the property".

PURCHASE PRICE:

Dollars (CDN$) 6,100,000.00

Six million one hundred thousand dollars

DEPOSIT: Buyer submits

Upon acceptance

Ten Thousand Dollars (CDN$) 10,000.00

by negotiable cheque payable to Wildboar Devleloce LLP in Trust "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit. With this Agreement, Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A and B attached hereto form(s) part of this Agreement.

1 IRREVOCABILITY: This Offer shall be irrevocable by

Buyer until 5:00 P.M. a.m./p.m. on the 23rd day of April 2015 after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the buyer in full without interest.

2 COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 27th day of April 2015. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): 
INITIALS OF SELLER(S):
3. **NOTICES:** Seller hereby appoints the Listing Brokerage as Agent for the seller purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer’s Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer’s Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating to purchase or sold for hardship shall be in writing, in addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, “Document”) shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgment below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

**FAX No.** 416-610-2234  **FAX No.** 416-361-1790

**Email Address:** david@davidchong.ca  **Email Address:** japp@wildlaw.ca

4 **CHATTELS INCLUDED:** None

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5 **FIXTURES EXCLUDED:** None

6 **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable: None

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer’s ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the purchase price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 24th day of April, 2015 (Regulation Date) to examine the title to the Property at Buyer’s own expense and until the earlier of: (i) thirty days after the date on which the conditions in this Agreement are fulfilled or otherwise waived; or (ii) five days prior to closing, to satisfy Buyer that there are no outstanding work orders or deficiency notices affecting the Property, and that the present use (Draft Plan Approved Single Family Residential Subdivision) may be lawfully continued. If within that time any valid objection to title or to any outstanding work order or deficiency notice, or to the fact that the present use may not be lawfully continued, is made in writing to Seller and Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller’s title to the Property. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders or deficiency notices affecting the Property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

**INITIALS OF BUYER(S):**  **INITIALS OF SELLER(S):**

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duckDuckGo® www.formcenter.com  Form 500  Revised 2012  Page 2 of 9
9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with; or (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L-14 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller; if requested by Buyer, Seller will deliver any abstract or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisite Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust and Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Casualty Insurance or Life Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking out a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

INITIALS OF BUYER(S):  
INITIALS OF SELLER(S):  

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16. DOCUMENT PREPARATION: The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller warrants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.

17. RESIDENCY: Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale, Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.

18. ADJUSTMENTS: Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmotorized cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. TIME LIMITS: Time shall be of the essence hereof provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. PROPERTY ASSESSMENT: The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

21. TENDER: Any tender of documents or money heretofore may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. FAMILY LAW ACT: Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent heretofore provided.

23. UFFs: Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.

26. AGREEMENT IN WRITING: If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): O

INITIALS OF SELLER(S): O
23. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]

 DATE: 04/18/2016

IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]

 DATE: 

I, the undersigned Seller, agree to the terms of this Agreement wherein the undersigned Seller agrees to sell the property described herein to the Buyer(s) and to convey the property to the Buyer(s) on the terms and conditions set forth herein.

SIGNED, SEALED AND DELIVERED in the presence of IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]

 DATE: 

IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]

 DATE: 

SPOUSAL CONSENT: The undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

SIGNED, SEALED AND DELIVERED in the presence of IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]

 DATE: 

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes and additions thereto and accept all parties as of the date hereof.

INFORMATION ON BROKERAGES:

<table>
<thead>
<tr>
<th>Listing Brokerage</th>
<th>Tel. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-op/Buyer Brokerage</td>
<td>Tel. No.</td>
</tr>
</tbody>
</table>

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this Assignment of Purchase and Sale.

[Signature]

DATE: 

I acknowledge receipt of my signed copy of this Assignment of Purchase and Sale and authorize the Brokerage to forward a copy to my lawyer.

[Signature]

DATE: 

COMMISSION TRUST AGREEMENT

[Authorized to bind the Listing Brokerage]

(Authorized to bind the Co-operating Brokerage)
26. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of:

[Signature]

IN WITNESS whereof I have hereunto set my hand and seal:

DATE:

I, the Undersigned Seller, agree to the above Offer, hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may herein be impliedly or impliedly, from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer:

SIGNED, SEALED AND DELIVERED in the presence of:

[Signature]

DATE:

SPOUAL CONSENT: The Undersigned Spousal of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

[Signature]

DATE:

INFORMATION ON BROKERAGE:

Listing Brokerage

Co-op/Other Brokerage

ACKNOWLEDGEMENT

I acknowledge receipt of a copy of this accepted Agreement of Purchase and Sale and I authorize the Listing Brokerage to forward a copy to my lawyer.

DATE:

Address for Service

Buyer's Lawyer

Commission Trust Agreement

The Co-operating Brokerage shown on the Accepted Agreement of Purchase and Sale, is acknowledged as the Co-operating Brokerage shown in the above Agreement of Purchase and Sale. I hereby declare that all monies received or receivable by me in connection with the Transaction are subject to the terms and conditions of the Agreement as set out in the MLS® Rules and Regulations. The Co-operating Brokerage shall be fully and strictly liable for the actions of the Listing Brokerage. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trusts.

DATED as of the date and the time of the acceptance of the Accepted Agreement of Purchase and Sale.

Acknowledged by:

[Signature]
Schedule "A"
Agreement of Purchase and Sale - Commercial

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, ___________________________ 2492357 Ontario Inc.

SELLER, ___________________________ 2164556 Ontario Inc.

For the purchase and sale of 4583, 4589, and 4601 Mississauga Road, Mississauga,

dated the 16th day of April, 2015

Buyer agrees to pay the balance as follows:

1. PURCHASE PRICE

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, if any, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer.

2. SELLER'S DELIVERIES

The Seller either has delivered to the Buyer or shall make available to the Buyer within five (5) business days after the execution of this Agreement by the Buyer each of the following:

a. any existing survey of the Property;

b. any environmental and soil reports related to the Property provided that there are in the Seller's possession and without representation by the Seller as to the contents thereof or whether the Buyer may rely thereon;

c. any and all documentation and or any information related to leases or potential leases for the Property, including all leases registered on title and a rent roll for the Property;

d. any and all engineering studies completed on the Property, and any and all existing architectural and structural drawings and blueprints;

e. any and all reports and submissions made to the City of Mississauga for the purposes of rectifying past or current work orders; and

f. any and all documentation pertaining to the expenses, management and taxes on the Property.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): ___________________________  INITIALS OF SELLER(S): ___________________________

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3. COURTESY OF ACCESS TO PROPERTY

Upon acceptance of this Agreement, the Buyer and its agents will be allowed to enter the Property, from time to time, for the purpose of conducting any testing or research, including environmental and geotechnical testing and site inspection of the property, utilities or services including the right to conduct intrusive testing and to take soil samples. The Buyer shall indemnify the Seller for any damage caused by the Buyer or its agents to the property of others as a result of the Buyer's actions. The Buyer shall restore the Property as nearly as reasonably possible to its original state.

4. SELLER COVENANTS AND WARRANTIES

The Seller covenants, warrants and represents (which covenants, warranties and representations shall survive closing but apply only to the state of the property or equipment at the completion date) that subject to obtaining the Vesting Order:

(a) It has full power and authority to accept this offer and to perform its obligations under this Agreement and the entering into and performance of this Agreement do not conflict with or breach its articles of incorporation or by-laws or any Agreement by which it is bound;

(b) The Seller is a resident of Canada within the meaning of the Income Tax Act (Canada). The Seller, on or before completion, will produce evidence that he or she is not now, and upon completion, will not be, a non-resident person within the meaning and for the purposes of Section 116 of the Income Tax Act of Canada or if he or she is a non-resident person will fully comply with the provisions of Section 116 of the said Act prior to completion;

(c) The Seller is a valid subsisting corporation under the laws of the Province of Ontario;

(d) There are no work orders or deficiency notices outstanding against the Property, and if so, will be complied with at the Seller's expense on or before closing;

(e) The Seller has not received any notice of any violation of any applicable federal, provincial or municipal laws, regulations, orders or approvals, written, relating to the ownership, use, maintenance or operation of the Property, nor is there to the knowledge of the Seller, any basis for such lawsuits, claims, proceedings or investigations being instituted or filed; and

(f) All systems of the property including but not limited to the electrical, plumbing, heating, roofing and all of the equipment & chattels in Schedule "B" shall be in good working order on the date of closing;
SCHEDULE “L”
ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.
JUSTICE NEWBOULD

FRIDAY, THE 24TH
DAY OF APRIL, 2015

IN THE MATTER OF THE COMPANIES’ CREDITORS ·
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT OF
HUSH HOMES INC., HUSH INC., 2122763 ONTARIO INC., 2142301 ONTARIO INC.
and 2164566 ONTARIO INC.
(collectively, the “Applicants”)

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants for an order approving the sale transaction (the
“Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”)
between the 2164566 Ontario Inc. (“MPCo”) and 2462357 Ontario Inc. (the “Purchaser”) dated
April 16, 2015 and appended to the Affidavit of Alfred Apps sworn on April 23, 2015 (the
“Apps Affidavit”), and vesting in the Purchaser MPCo’s right, title and interest in and to the
assets described in the Sale Agreement (the “Purchased Assets”), was heard this day at 330
University Avenue, Toronto, Ontario.

ON READING the Affidavit of Naheel Suleman sworn on April 21, 2015 (the
“Suleman Affidavit”) and the Apps Affidavit and on hearing the submissions of counsel for the
Applicants, MarshallZehr Group Inc. ("MZ"), VS Capital Corporation ("VS Capital"), and Fuller Landau Group Inc., in its capacity as Monitor of the Applicants (the "Monitor"), and any other counsel appearing on the Counsel Slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Bobbie-Jo Brinkman sworn on April 22, 2015, filed:

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

2. **THIS COURT ORDERS** that capitalized terms used herein but not defined shall have the meaning ascribed to them in the Suleman Affidavit including the Exhibits thereto.

3. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by MPCo is hereby authorized and approved, with such minor amendments as MPCo, in consultation with the Monitor, may deem necessary. MPCo is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor’s certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “Monitor’s Certificate”), all of MPCo’s right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule “B” hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed
trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Amended and Restated Order of the Honourable Justice Penny dated January 19, 2015; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule “D”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. THIS COURT ORDERS that upon the registration in the Land Registry Office #43 for the Land Titles Division of the City of Mississauga, in the Region of Peel of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule “B” hereto (the “Real Property”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

6. THIS COURT ORDERS that, contemporaneously with the delivery of the Monitor’s Certificate,

   (a) the proceeds from the sale of the Real Property shall be distributed as follows:
(i) First – payment of applicable property taxes, owing and due to the City of Mississauga on the Real Property as of the date of the closing of the sale of the Real Property, estimated to be approximately $39,788.33;

(ii) Second – payment to VS Capital Corporation of the amount owing under its mortgage registered first against the Real Property on February 22, 2011 as Instrument Number PR1965232 on the Closing Date, which amount is $4,431,732.39 as at April 16, 2015 with per diem interest accruing at $1,411.27; and

(iii) Third – payment to VS Capital Corporation of the amount of $375,000 in partial satisfaction of its mortgage registered sixth against the Real Property on February 10, 2014 as Instrument Number PR2497773; and

(b) The following new mortgages shall be registered upon the Real Property:

(i) a mortgage in favour of MZ registered in first position in the amount of the distributions to be made under paragraph 5(a) herein;

(ii) a mortgage in favour of MPCo registered in second position in the amount to be determined on the Closing Date by deducting the amount of the distributions to be made under paragraph 5(a) from the Purchase Price, which shall have a term of one (1) year and bear interest at five percent (5%) per annum; and

(iii) a mortgage in favour of MPCo registered in third position in the amount of $10,000,000 to secure MPCo’s interest in the build out value of the Mont Palais Project in accordance with the MP Creditor Profit Participation Agreement.
7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

   (a) the pendency of these proceedings;

   (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of MPCo and any bankruptcy order issued pursuant to any such applications; and

   (c) any assignment in bankruptcy made in respect of MPCo;

   the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of MPCo and shall not be void or voidable by creditors of MPCo, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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

Court File No. CV-14-10800-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES’ CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT OF
HUSH HOMES INC., HUSH INC., 2122763 ONTARIO INC., 2142301 ONTARIO INC.
and 2164566 ONTARIO INC.

(collectively, the “Applicants”)

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the “Court”) dated April 24, 2015, Fuller Landau Group Inc.’s appointment as Monitor (the “Monitor”) was extended to 2164566 Ontario Inc. (“MPCo”).

B. Pursuant to an Order of the Court dated April 24, 2015 (the “Vesting Order”), the Court approved the agreement of purchase and sale made as of April 24, 2015 (the “Sale Agreement”) between MPCo and 2462357 Ontario Inc. (the “Purchaser”) and provided for the vesting in the Purchaser of MPCo’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ▶ of the
Sale Agreement have been satisfied or waived by MPCo and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid cash portion of the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement to be distributed in accordance with the Vesting Order and granted the mortgages contemplated;

2. The conditions to Closing as set out in section ▶ of the Sale Agreement have been satisfied or waived by MPCo and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at _______ [TIME] on _______, 2015.

FULLER LANDAU GROUP INC., in its capacity as Monitor of the Applicants, and not in its personal capacity

Per:  ______________________________________

Name:

Title:
Schedule B – Purchased Assets

The real property owned by MPCo and legally described as Part Lots 3 & 4, Range 5 NDS (Toronto) described as Part 1, Plan 43R34690, City of Mississauga, denoted by PIN 13383-0565 (Land Titles) in Land Registry Office #43 and known municipally at 4583, 4589 and 4601 Mississauga Road, Mississauga.
Schedule C – Claims to be deleted and expunged from title to Real Property

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<th>Instrument Type</th>
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(unaffected by the Vesting Order)

43R34690 2012/06/20 Plan Reference
IN THE MATTER OF THE COMPAINES’ CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT OF HUSH HOMES INC., HUSH INC., 2122763 ONTARIO INC., 2142301 ONTARIO INC. 2164566 ONTARIO INC. (collectively, the “APPLICANTS”)

Court File No.: CV-14-10800-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER
DATED APRIL 24, 2015

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Barristers and Solicitors
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Toronto, ON M5H 2V1

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Tel: (416) 304-0594
Fax: (416) 304-1313

Litigation Agents for Wildeboer Dellelce LLP,
lawyers for the Applicants
SCHEDULE "M"
2164566 ONTARIO INC.  
(hereinafter “VENDOR”)

AND

2462357 ONTARIO INC.  
(hereinafter “OWNER”)

AND

PACE DEVELOPMENTS INC.  
(hereinafter “DEVELOPER”)

AND

MARSHALLZEHR GROUP INC.  
(hereinafter “LENDER”)

DEVELOPMENT, CONSTRUCTION MANAGEMENT

and

PROFIT PARTICIPATION AGREEMENT  
(Mont Palais Development)
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**SCHEDULE A: LANDS**
THIS AGREEMENT made as of April 01, 2015.

AMONG:

2164566 ONTARIO INC.
(hereinafter “VENDOR”)  
of the First Part

AND

2462357 ONTARIO INC.
(hereinafter “OWNER”)  
of the Second Part

AND

PACE DEVELOPMENTS INC.
(hereinafter “DEVELOPER”)  
of the Third Part

AND

MARSHALLZEHRS GROUP INC.
(hereinafter “LENDER”)  
of the Fourth Part

WHEREAS:

The Vendor, the Owner, the Lender and the Developer have agreed to enter into this Agreement to confirm the role of the Developer as the exclusive Developer and construction manager for the Project (as hereinafter defined) on the terms and conditions set forth below and to set out the rights of both the Vendor and the Owner in relation to the profits to be earned from the development of the Project.

The Vendor has, with the support and agreement of the Lender, sought and received the protection of the Ontario Superior Court of Justice (“Court”) under and pursuant to the Companies’ Creditors Arrangement Act (Canada) pursuant to which the Project was transferred from the Vendor to the Owner by order of the Court (the “Vesting Order”).

The Lender [NTD: Prior language was no accurate because not Lender of Vendor] consented to the Vesting Order and has agreed to provide funding for the Project provided that it is
transferred to the Owner with the approval of the Court and this agreement has been entered into contemporaneously therewith.

**NOW THEREFORE,** in consideration of the mutual covenants and agreements set forth herein and the sum of $10.00 paid by each party to the other party and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties covenant and agree as follows:

**ARTICLE 1**
**DEFINITIONS**

1.1 **Definitions**

Unless there is something in the subject matter or context inconsistent therewith, the terms defined in this Agreement shall have the meaning attributed to them and the following words shall have the respective meanings set forth in this Section 1.1:

"**Agreement**" means this Development, Construction Management and Profit Participation Agreement, as amended, supplemented and restated from time to time.

"**Applicants**" means Hush Homes Inc., Hush Inc., 2122763 Ontario Inc. and 2142301 Ontario Inc.

"**Approval**" means an approval in writing by the Lender.

"**Approved**" means an Approval that has been given.

"**Article**, "**Section**" and "**Subsection**" mean and refer to the specified article, Section and Subsection of this Agreement, respectively.

"**Authorities**" means the federal, provincial, and municipal governments, the courts, administrative and quasi-judicial boards and tribunals and any other organizations or entities with the lawful authority to regulate, or having a power or right conferred at law or by or under a statute over, the Lender and Developer, the Project or the Lands, including the businesses carried on therein.

"**Build-out Value**" means the total value realized from the build-out of the Project net of the cost to the Owner of acquiring the Project inclusive of interest and financing fees thereon and all Development Costs associated with the Project.

"**Business Day**" means a day which is neither a Saturday, Sunday nor a day observed as a holiday under the laws of the Province of Ontario and "**Business Days**" means more than one Business Day.

"**CCAA Plan**" means the plan of compromise or arrangement to be filed by the Applicants and the Vendor for the consideration of creditors and the Court in the CCAA Proceedings.

"**CCAA Proceedings**" means the proceedings commenced by the Vendor under the *Companies’ Creditors Arrangement Act* (Canada);
“Claims” has the meaning set forth in Section 7.1.

“Commitment Letter” means the financing commitment letter agreement entered into by the Owner and the Lender dated April 13, 2015 as the same may be amended from time to time.

“Consultants” means the independent architects, engineers and project managers (all of whom are not employees of the Developer) and other consultants (including, without limitation, such sub-consultants as are retained by the Consultants) as the Owner and Developer may appoint from time to time on the consent of the Lender in connection with the Project and “Consultant” means any one Consultant.

“Contracts” means all contracts and agreements entered into by the Developer within the scope of its authority granted under and pursuant to Section 3.1 and renewals thereof and amendments thereto.

“Court” means the Ontario Superior Court of Justice;

“Development Costs” means the total costs, fees, charges and expenses to be paid or incurred following the Effective Date in connection with the planning, development, servicing, design, construction, use and marketing of the Project including, without limitation and without duplication, the following hard costs and soft costs:

(a) Hard Construction Costs;

(b) Project Management Fees;

(c) costs for testing and inspection;

(d) costs and fees for the administration and supervision of the construction by the Consultants, including, without limitation, the inspection of the work, the curing of defaults and the settlement of accounts and enforcement of any construction contracts relating thereto;

(e) fees and expenses for architectural, engineering, planning, land surveying, landscaping, accounting, legal and other professional or consulting services (including, without limitation, the cost of preparing and finalizing all drawings, plans and specifications);

(f) costs of all approvals, permits, charges, application fees, bonds, letters of credit, taxes, assessments, rates, fees, levies and related charges imposed by the Authorities;

(g) costs for insurance, bonds, letters of credit and other incidental expenses;

(h) costs for opening, promotion and marketing including, without limitation, the cost of the sales centre, brochures, advertising and computer communications and related expenses;
(i) costs for safety measures and programs (including, without limitation, all applicable equipment) and related expenses;

(j) taxes and duties including, without limitation, HST and sales taxes, net of input tax credits received or receivable by the Owner and Developer;

(k) interim and permanent financing interest and all financing fees whether accrued or deferred; and

(l) sales and brokerage fees.

"Development Management Fee" shall be the amount governed by Section 4.2 hereof which the Owner is entitled to receive on Substantial Completion and shall separate and apart from the Phase One Project Management Fee and the Phase Two Project Management Fee payable by the Owner to the Developer.

"Development Period" means the period commencing on the Effective Date and ending twenty-four (24) months following the date on which all contracts for the supply of services, supplies and materials for the Project are Totally Completed.

"Development Plan" means a plan for the development of the Lands proposed by the Developer and acceptable to the Lender, in its sole and unfettered discretion, and which, for each phase of the Project, shall include a Pro-Forma Budget and a Development Schedule for such plan.

"Development Schedule" means a graphical representation or chart prepared in respect of a plan for the development of the Lands indicating the timing of the major activities relating to the scope of work for such plan which shall provide sufficient details of the actual events and their interrelationship to demonstrate that the scope of work will be performed in conformity with the Development Period.

"Effective Date" means the date of this Agreement.

"Emergency" means a condition or circumstance occurring in or about the Lands or the Project which, if not remedied immediately, would result, with reasonable certainty, in damage to the Lands or the Project or damage to other property or in physical injury or death.

"Event of Default" means, in the case of the Developer:

(a) the failure of the Developer to perform its duties and discharge its obligations under this Agreement, provided that the Vendor, the Owner or the Lender has delivered notice to the Developer specifying in reasonable detail the particulars thereof and, within thirty (30) days of receipt of such notice, the Developer has not cured such failure in a reasonable manner (or, if more than thirty (30) days are required to cure such failure, the Developer fails to commence and continue diligently to cure or give reasonable assurances to the Lender that such failure will be cured within a reasonable period of time); or

(b) a breach by the Owner of the Developer of any trust or fiduciary duty created by this Agreement for funds received by it on account of the Development Costs to
be paid to contractors, Consultants, and suppliers retained in connection with the Project or the Developer’s refusal to account for such funds; or

(c) a breach by the Owner or the Developer of any trust or fiduciary duty created by this Agreement for funds received by it attributable to the Vendor Profit Participation to be paid to Vendor, or the Owner’s or the Developer’s refusal to account for such funds.

“Event of Insolvency” does not mean the CCAA Proceedings but does mean the occurrence of any one or more of the following events:

(a) if the Owner or the Developer, other than in connection with a bona fide corporate reorganization, shall:

(i) be wound-up, dissolved or liquidated, or become subject to the provisions of the Winding-up and Restructuring Act (Canada) or any successor legislation thereto or have its existence terminated or have any resolution passed therefore; or

(ii) make a general assignment for the benefit of its creditors or a proposal or file a notice of intention to make a proposal under the Bankruptcy and Insolvency Act (Canada) or any successor legislation thereto or be adjudged by a court of competent jurisdiction to be bankrupt or insolvent or acknowledge its insolvency in writing.

(b) if a court of competent jurisdiction enters an order, judgment or decree approving a petition or application filed against the Owner or the Developer seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors generally and (i) the Owner or Developer shall acquiesce in the entering of such order, judgment or decree, or (ii) if there is no such acquiescence, the order, judgement or decree remains unvacated or unstayed for an aggregate of forty-five (45) days (whether or not consecutive) from the date of entry thereof; or

(c) if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed in respect of the Owner or the Developer or of all or any substantial part of the property of either and (i) the Owner or Developer, as applicable, shall consent to or acquiesce in such appointment or (ii) if there is no such acquiescence or consent, such appointment remains unvacated or unstayed for an aggregate of forty-five (45) days (whether or not consecutive).

“Hard Construction Costs” means:

(i) the cost to the Owner of all materials acquired and all on-site labour utilized in connection with the construction of the Lands and shall include,
without limitation, the cost of site preparation, servicing, excavation, disposal, building construction, landscaping, paving and site-finishing costs, contractors’ profit, the cost of machinery, plant, apparatus and equipment (rental or otherwise) acquired or used in the construction or subsequent operation of the Lands and including the costs of all change orders; and

(ii) the cost of general conditions and the Developer furnished items, set out in the Pro Forma Budget.

For clarity, Hard Construction Costs shall exclude without limitation the land cost, fees payable hereunder, legal fees, interest on borrowed money, other soft costs and work performed by a tenant of the Lands at its own cost and expense.

“HST” means the goods and services tax and/or harmonized sales tax as more fully described in Part IX of the Excise Tax Act (Canada), as amended or re-enacted from time to time, provided that in the event that any similar tax exists or is introduced in any Province, all references to “HST” shall apply mutatis mutandis with respect to such tax and its payment or any similar tax.

“Lands” means the lands known as the Mont Palais Project as described in Schedule A.

“Lender” means MarshallZehr Group Inc.

“Lender Prepayment” means the prepayment by the Owner on or before April 31, 2015 of all amounts owing to the Lender, inclusive of all principal, accrued interest and fees payable to the Lender.

“Monitor” means the monitor of the Vendor appointed by the Court in the CCAA Proceedings;

“Notice” has the meaning set forth in Section 8.1.

“Notice of Termination” has the meaning ascribed thereto in Section 6.1.

“Owner” means 2462357 Ontario Inc. and its successors and assigns.

“Party” means any party to this Agreement and “Parties” means more than one of them.

“Prime Rate” means the rate of interest per annum established and published as its prime lending rate from time to time by Royal Bank of Canada or its successors as a reference rate of interest for Canadian dollar loans made by it in Canada and shall be adjusted automatically upon any change in such rate of interest.

“Pro-Forma Budget” means the pro-forma budget prepared in respect of a plan for the development of the Lands which includes, without limitation, the projected Development Costs of such plan.

“Project” means the development of the Lands as decided by the Owner and Developer and approved by the Lender at their sole discretion.
“Project Management Fees” means either or both of the Phase One Project Management Fee and the Phase Two Project Management Fee as defined in Section 3.1.

“Substantial Completion” wherever used herein shall have the same meaning as “substantially performed” in the Construction Lien Act (Ontario).

“Term” means the period of time commencing on the Effective Date and ending on the last day of the Development Period.

“Totally Completed” or “Total Completion” means “Completed” as defined in Subsection 2.3 of the Construction Lien Act (Ontario), including the completion of all construction deficiencies.

“Unavoidable Delay” means any prevention, delay, stoppage or interruption in the performance of any obligation of a party hereto due to a strike, lockout, slow down, labour dispute, act of God, inability to obtain or supply any service, equipment, utility, labour or materials, laws, statutes, ordinances, rules, regulations or orders of governmental authorities, enemy or hostile action, civil commotion, war or other casualty, default by the other party or any condition or cause beyond the reasonable control of the party obligated to perform, but shall not include any inability by the party to perform because of lack of its own funds where such funds are required to permit it to perform the obligation in question, provided, that in connection with all of the foregoing, with respect to the Owner and Developer, the Owner and Developer has acted in a reasonable manner with respect to such conditions or cause.

“Vendor” means 2164566 Ontario Inc. and its successors and assigns.

“Vendor Profit Participation” means the right of the Vendor to receive seventy percent (70%) of the Build-out Value of the Project on Substantial Completion of the Project in accordance with Section 4.2 which right shall, to the extent of any charge granted as security by order of the Court in respect of the assets of the Vendor in the CCAA Proceedings, survive and remain an asset of the Vendor notwithstanding any abandonment or termination of the CCAA Proceedings or any failure of the Vendor’s creditors or of the Court to approve the CCAA Plan to the extent provided in Section 6.1 hereof.

“Vesting Order” means the order of the Court made in respect of the Lands being bought on April 24, 2015 vesting title in and to the Lands in the Owner.

“Written Order” has the meaning set forth in Section 4.4.

ARTICLE 2
RETAINER OF DEVELOPER

2.1 Confirmation of and Acceptance by both Owner and Developer

(a) The Vendor and the Lender hereby consent to the Owner retaining the Developer to provide the development and construction management services set out in Section 3.3 of this Agreement in connection with the administration and management of the completion of the Project on its own behalf and on behalf of
the Lender on and subject to the terms and conditions and for the remuneration provided for in this Agreement.

(b) The Owner and Developer agree to perform their obligations under this Agreement and covenant and agree to carry out such obligations hereunder in a competent, honest, diligent and efficient manner in accordance with the terms of this Agreement.

2.2 Representations and Warranties by Developer

The Developer represents and warrants that as of the date of this Agreement:

(a) it is a corporation, duly organized, validly subsisting and in good standing under the laws of the Province of Ontario and has all necessary power and authority to enter into this Agreement and to perform or cause to be performed its obligations contained herein and to carry on its business as such business is presently carried on or proposed to be carried on by it;

(b) it has and will have throughout the Term, all of the requisite skills and experience to carry out the Owner and Developer’s obligations and duties under this Agreement;

(c) it has taken all necessary action to authorize the execution and delivery by it of this Agreement and the performance by it of the provisions of this Agreement in accordance with its terms; and

(d) its personnel are qualified and that it possesses the necessary experience and expertise to enable it to perform the services and duties hereunder.

2.3 Duty of Care

(a) The Owner and Developer shall carry out its duties under this Agreement diligently and expeditiously and with due care, and time shall in all respects hereof be of the essence. The Owner and Developer will carry out its duties in an efficient manner in keeping with the standards of Developers of comparable, similar quality developments in the city in which the Lands are located, taking into account size, age and location.

(b) The Owner and Developer will not be responsible for matters beyond their reasonable control (including, without limitation, delay in the completion of the Project and any unforeseen increases in the cost to complete the Project) or for matters involving the expenditure of funds which are not made available by the Lender.

2.4 Term of Agreement

This Agreement shall be in force and effect for the Term, unless sooner terminated pursuant to this Agreement.
2.5 Independent Contractor

The parties acknowledge that the Owner and Developer shall undertake its duties hereunder as an independent contractor and not as agent or in any other way representative of the Lender except as herein expressly provided. It is further acknowledged that nothing in this Agreement or in any acts of the parties hereto shall be deemed to create a partnership relationship between the Owner, the Developer and the Lender.

ARTICLE 3
SERVICES

3.1 Development Plans

Within thirty (30) days following the Execution Date or on such later date agreed to by the Lender in its sole discretion, the Developer shall deliver to the Lender for its Approval, a Development Plan related to the first phase of the development of the Project including the work of servicing the Lands, securing final plan of subdivision approval for the Project, and marketing homes and lots in the draft plan approved subdivision for sale, as well as an update from time to time of the Development Plan (including the related Pro-Forma Budget and Development Schedule) which has been Approved by the Lender, if any. The Development Plan for phase one and, in particular, the Pro-Forma Budget will include a monthly project management fee payable to the Owner and Developer from funds advanced by the Lender intended to cover the Developer’s actual costs of executing the Development Plan during phase one (the “Phase One Project Management Fee”).

When requested by the lender and prior to the Owner receiving conditional draft plan approval in respect of the Project being secured, the Developer shall deliver to the Monitor for its review and the Lender for its Approval, a Development Plan related to the second phase of the development of the Project including the continuing to market homes and lots within the Project and constructing homes within the Project. The Development Plan for phase two and, in particular, the Pro-Forma Budget will include a per door project management fee payable to the Owner and Developer from funds advanced by the Lender intended to cover the Developer’s actual costs of executing the Development Plan during phase two of the Project (the “Phase Two Project Management Fee”).

3.2 Scope of Authority

Upon the Approval of a Development Plan by the Lender after review by the Monitor in accordance with Section 3.1, in connection with the performance by the Developer of its duties under this Agreement, the Developer shall have the authority and the obligation on behalf of the Owner:

(a) to negotiate, settle and, subject to Subsection, execute, without personal liability except as herein provided, all Contracts provided that, subject to Subsection 3.2(d), the aggregate amount of the expenses to be incurred thereunder are provided for in the Pro-Forma Budget or have otherwise been Approved by the Lender;
(b) to retain all the necessary Consultants and apply on behalf of the Owner in the name of the Owner, as agent for the Owner and without personal liability except as herein provided, to Authorities for, and obtain, all land use classification amendments, applications, licences, permits and approvals necessary or required for the Project (including, without limitation, demolition, excavation, site plan and building permits and their related agreements in final form);

(c) to incur on behalf of the Owner all Development Costs, whether or not of a capital nature, so long as the expenses incurred and projected to be incurred do not exceed the aggregate amount of the expenses provided for in the Pro-Forma Budget or have otherwise been Approved by the Lender; and

(d) in the event of an Emergency, to proceed (and the Developer is hereby authorized and instructed to proceed) with such steps as in its discretion are deemed necessary for the protection or preservation of the Project or other property, of the Owner or the Developer, as the case may be, or from any penalty or other liability or the prevention of injury, or death to person. Upon the happening of any such event, the Developer shall promptly give notice thereof to the Lender, the Owner and the Monitor.

The Developer acknowledges and agrees that its authority under this Agreement is subject to first obtaining Approval from the Owner and the Lender of all major decisions as contemplated herein. Subject only to the foregoing, the Developer is authorized to perform the duties in Section 3.3 and/or related to its duties herein without the requirement of further Approval of the Lender.

3.3 Development and Construction Management Services

Upon the Approval of a Development Plan by the Lender in accordance with Section 3.1, the Owner and Developer shall in a proper and efficient manner, but subject always to the terms and provisions of Section 3.2, carry out the following development and construction management services in connection with the Project funded by the Lender:

(a) **Contractors:** (i) select and enter into, as agent for the Owner and without personal liability except as herein provided, contracts in respect of the Project on behalf of the Lender with contractors, Consultants, suppliers and others; and (ii) co-ordinate, direct and supervise their work, scrutinize and settle their accounts and supervise and use its commercially reasonable efforts to ensure their performance;

(b) **Layout, Design:** direct the layout, design and engineering for the Project including, without limitation, the preparation of all drawings and specifications for homes to be built for buyers on lots of the Project;

(c) **Construction Management:** co-ordinate and direct to completion, the construction aspects of the Project in accordance with the requirements of all site plan agreements, property development agreements, construction contracts and applicable laws, including without limitation the following:
(i) establish and implement appropriate administrative, financial and cost controls for the construction aspects of the Project and make suggestions or requests for specific design improvements, cost savings and efficiencies;

(ii) as the design proceeds, evaluate possible alternatives in order to permit the selection of the most suitable and economical material and methods that will satisfy both the architectural concept and the Lender's budget;

(iii) supervise all construction aspects of the Project in accordance with the requirements of applicable statutes, laws, by-laws, building codes, ordinances and agreements;

(iv) expedite building permits required for the construction of the work and ensure that all other approvals, permits and licenses are obtained;

(v) plan all necessary construction facilities and services for the Project in order to avoid duplication of costs;

(vi) pre-qualify contractors and subcontractors;

(vii) prepare all documents for the purpose of calling tenders for various contracts and subcontracts;

(viii) administer the tendering process and monitor the flow of information between the consultants and the bidders;

(ix) receive and analyse tenders and make recommendations for the contract awards;

(x) prepare the contract documents for all successful contractors and subcontractors and ensure that all applicable legal requirements are complied with;

(xi) ensure that all bonds from contractors and subcontractors are provided when required by the agencies financing the Project and inspect all insurance policies and workmen's compensation certificates;

(xii) provide planning, scheduling, expediting, technical co-ordination, and supervision necessary for the proper execution of the work of all contractors and subcontractors;

(xiii) ensure that construction warranties and guarantees that would be obtained by a prudent Developer/owner of buildings comparable to the Project are obtained from the contractors/subcontractors, and that such warranties and guarantees are capable of assignment;

(xiv) provide technical and financial administration with respect to progress payments, updating cash flow requirements and holdback releases;
(xv) evaluate and process all change orders;

(xvi) examine claims by the contractors and subcontractors to ensure that they are reasonable and in accordance with the contract documents;

(xvii) take the necessary action to facilitate the settlement of contract disputes; and

(xviii) such other duties as are normally carried out by a construction manager in connection with the construction of buildings of a size, type and location similar to the Project.

(d) **Material Changes:** notify the Lender and the Monitor promptly of material changes or developments affecting the Project including, without limitation, material changes to the Pro-Forma Budget or Development Schedule;

(e) **Safety:** use commercially reasonable efforts to cause all contractors employed on the Project to be responsible for the safety of all workers and equipment on the Project in accordance with all applicable legislation governing construction safety;

(f) **Liens:** throughout the Development Period, use commercially reasonable efforts, to require all contractors employed in respect of the Project to cause any and all construction liens and other liens for labour, services or materials alleged to have been furnished to or to have been charged to or for the Owner and Developer, any Consultant, any subcontractor or any of them or on their or its behalf in respect of the Project which may be registered against or otherwise affect the Lands to be released, discharged and/or vacated forthwith by all appropriate means, including payment of funds into court, if necessary;

(g) **Legal Actions:** monitor and notify the Lender of legal actions affecting the Project arising from the registration of construction liens or otherwise;

(h) **Insurance:**

(i) use all reasonable efforts to place or cause to be placed such policies of insurance in respect of the Project as necessary or desirable to protect the Lender, the Owner and Developer, contractors, suppliers, Consultants and their property and interests from liability, damage or loss, including builders’ risk insurance, liability insurance, errors and omissions insurance and delayed start-up/business interruption insurance in each case to the extent such insurance and bonding is available in the marketplace at a cost acceptable to the Lender; and

(ii) the Lender shall be named as additional insured under any liability insurance and mortgagee and loss payee under any property insurance. In addition, the Owner and Developer shall notify the Lender upon receipt of any notice or communication from an insurance carrier regarding adverse change in coverage or the uninsurability of the Project;
(i) **Notification:** promptly give the Lender notice of any material damage to the Project when the Owner and Developer becomes aware of such damage or notice of any circumstance which may give rise to a claim, including, without limitation in respect of any employment, workplace health and safety and environmental matters;

(j) **Books of Account, Information:** at all times during the Development Period, maintain at the Lands and/or its office at 75 International Blvd #400, Toronto, ON M9W 6L9 appropriate books of account and records with respect to the Project and in accordance with generally accepted accounting principles and practices applicable to the development and construction management industry in Canada and applied on a consistent basis. The Lender and the Monitor may, acting reasonably and at reasonable times, with reasonable notice in the circumstances (and under supervision of the Owner and Developer), examine and access such books of account and records and cause to be undertaken by auditors, at the cost of the Lender, inspections and audits of such books of accounts and records;

(k) **Compliance with Court Order:** at all times comply strictly with the terms of any Order of the Court in the CCAA Proceedings and co-operate with the Monitor and the Lender in the performance and fulfillment of its or their duties pursuant thereto;

(l) **Warranty Work:** co-ordinate and supervise rectification of all deficiencies and administration of all warranties, including arranging and supervising technical audit requirements, if any;

(m) **Financial Statements and Reporting:** not less than monthly during the CCAA Proceedings and quarterly thereafter the Developer shall make a presentation to the Lender detailing the status of the Project and the performance of the Owner and Developer’s duties hereunder at such locations as may from time to time be designated by notice to the Owner and Developer by the Lender including, without limitation, an analysis as to the progress relative to the most recent Pro Forma Budget and Development Schedule and provide a copy of the presentation to the Monitor. In addition, the Owner and Developer shall prepare such quarterly reports and financial statements as are reasonably required from time to time by the Monitor or Lender, in form and substance satisfactory to the Lender;

(n) **Inspection:** allow the Lender, the Monitor and their representative(s) upon appointment to have access at their own risk to the Project during the construction of the Project;

(o) **Banking:**

(i) **Banking:** open a separate bank account for the Project in the name of the Owner and thereafter handle all banking necessary for the due performance of the accounting and administrative functions of the Owner and Developer under this Agreement in connection with the Project, all as
required pursuant to any Order of the Court or as may be subject to the supervision of the Monitor and likewise for the receipt and disbursements of all monies of the pertaining to the Project required to be attended to by the Owner and Developer under this Agreement. The Owner and Developer shall forthwith deposit in the separate bank account for the Project maintained by the Owner and Developer all cash, cheques and other negotiable instruments received by the Owner and Developer pursuant to this Agreement;

(ii) **Provision of Funds:** not at any time be requested to and shall not overdraw the bank account or accounts operated by it in connection with the Project, and if the amount of the expenditures authorized to be made pursuant to this Agreement exceed at any time the amount held by the Owner and Developer for the Project, the Lender, shall furnish to the Owner and Developer sufficient funds to enable it to make such expenditures based on the total amount being applied for pursuant to Section 4.4. If the Lender fails to furnish such funds, the Owner and Developer shall not be required, in its capacity as Developer, to expend its own funds and shall have no other liability whatsoever for any consequences arising from failure by the Lender to furnish funds. The Owner and Developer shall (other than in circumstances of an Emergency) provide no less than five (5) Business Days’ prior written notice of any requirement of the Lender to provide funds pursuant to this Subsection 3.3(o). All funds in this account until disbursed for the purposes of and in accordance with this Agreement are held in trust for the Lender;

(p) **Security:** arrange security for the physical protection of the Project and, when necessary, for the control of vehicular and pedestrian access and egress;

(q) **Personnel:** engage (either as employees of the Owner and Developer or by contractual arrangements to which the Lender has consented on the recommendation of the Monitor) such persons as shall be necessary and desirable for the continued and uninterrupted performance by the Owner and Developer of its obligations under this Agreement. The Owner and Developer shall be solely responsible for all employment matters relating to such employees, including hiring, training, discipline, dismissal and administration of any such employees; and

(r) **Meeting:** attend the meetings described in Section 5.1.

**ARTICLE 4**

**FEES**

**4.1 Fees and Out-of-Pocket Expenses**

In consideration of the development and construction management services to be performed by the Developer under this Agreement, the Developer shall be entitled to the Phase One Project Management Fee to be drawn monthly during phase one and, during phase two, the Phase Two
Project Management Fee to be paid on Substantial Completion of each lot in the Project provided that the Lender may advance such Phase Two Project Management Fee to the Developer prior to Substantial Completion in its discretion. All reasonable out-of-pocket expenses and site costs incurred by the Owner and Developer in the performance of its duties hereunder shall be funded by the Lender from time to time as part of the Written Order referred to in Section 4.4.

4.2 Profit Participations

Separate and apart from the Project Management Fee, through which Developer shall be entirely compensated for the cost of its services to the Owner, the Owner shall be entitled to receive thirty percent (30%) of the Build-out Value of the Project for its own benefit and account on Substantial Completion of the Project (the “Development Management Fee”).

The Vendor, in partial consideration of the transfer of the Lands to the Owner in accordance with the Vesting Order shall be entitled, on Substantial Completion of the Project, to receive seventy percent (70%) of the Build-out Value of the Project for the benefit of its creditors and the creditors of the Applicants as contemplated by the CCAA Plan to be filed in connection with the CCAA Proceedings. If a CCAA Plan is approved, such amount shall be paid to the Monitor to be distributed in accordance with the CCAA Plan.

4.3 Payment of Development Costs

The Lender shall be responsible for funding all Development Costs as reviewed by the Monitor in consultation with the Lender and, for greater certainty, the Lender acknowledges and agrees that the Owner and Developer shall not at any time, be required to use their own funds, other than those borrowed from the Lender, to pay any Development Costs.

4.4 Written Order

(a) The Owner and Developer shall be entitled to apply to the Lender at any time (but no more frequently than once weekly) for payment of:

(i) the Development Costs set forth in the then current Approved Pro-Forma Budget; and

(ii) out-of-pocket expenses pursuant to Sections 4.1,

by delivering to the Lender a written order (herein referred to as a “Written Order”) with a copy being provided to the Monitor, for payment thereof not more often than weekly.

(b) Each Written Order shall:

(i) state the aggregate of the amounts set forth in the Pro-Forma Budget previously paid to or as directed by the Owner and Developer under this Section 4.4;

(ii) state the costs that require payment in the Written Order, which costs shall be either: (i) paid or payable by the Owner and Developer on behalf of the
Lender at the date of the Written Order; or (ii) payable within the next twenty (20) Business Days in accordance with the then current Pro-Forma Budget and which costs shall not include amounts under Subsection 4.4(b)(i); and

(iii) state that all costs included in such Written Order are costs contemplated by the then current Pro-Forma Budget and describing the items constituting such costs in reasonable detail.

(c) Each Written Order shall be delivered to the Lender with a copy to the Monitor as aforesaid and shall be signed by an officer of the Owner and Developer.

(d) Within ten (10) Business Days after the receipt of such Written Order, the Lender shall pay, to or as directed by the Owner and Developer, the amount of the costs requested for payment in such Written Order and in respect of which payment is requested by the Owner and Developer.

(e) All payments to be made pursuant to this Section 4.4 will be subject to any applicable hold back requirements under the construction lien legislation under the laws of the Province in which the Project is located.

4.5 Commencement of Funding Obligations

Notwithstanding Sections 4.1, 4.3 and 4.4, the Lender shall not be responsible for funding of any Development Costs, Development Management Fee or other fees, expenses or any costs until the Approval of a Development Plan in accordance with Section 3.1 and otherwise only in accordance with the Commitment Letter.

4.6 Reporting to the Monitor

All Parties agree that, in order to monitor and report upon the realization and payment of the Vendor Profit Participation, the Monitor and the Vendor shall be (a) given reasonable access to the books and records of the Owner in relation to the Project; (b) entitled to receive copies of all Pro Forma Budgets in respect of the Project provided to the Lender and (c) given quarterly financial statements reconciling actual revenues and costs of the Project to those set out in the Pro Forma Budgets.

ARTICLE 5
CLIENT

5.1 Meetings

At the reasonable request of either one of any officer or director of the Lender or the Lender, from time to time, the Lender and the Developer shall meet at the principal offices of the Developer in Richmond Hill, Ontario or another mutually agreed upon location upon ten (10) Business Days’ notice, on the date specified by the requesting party or on another mutually agreed upon date, provided such meetings shall not take place more often than on a monthly basis except in the case of an Emergency.
5.2 Approvals by the Lender/Authority of Developer

Subject to compliance with the provisions of Subsections 2.1(b), 2.3(a) and 3.1 of this Agreement, the Owner and Developer shall have authority to take all actions necessary to complete the Project and the Lender hereby approves such actions.

5.3 Approvals

All requests for Approvals by the Developer shall be in writing and all Approvals of the Lender shall be in writing, it being understood and agreed that if such request or Approval is reflected in an e-mail sent by the Lender to the Developer or by the Developer to the Lender, as the case may be, such request or Approval shall be deemed to be in writing. The Lender understands and agrees that all Approvals given by the Lender must first be given to the Lender by the Lender and that the Lender shall have the benefit of all the provisions of this Agreement as secured party.

5.4 Obligations of the Owner and Developer

The Owner and Developer each shall, all without personal liability as contemplated by Section 3.2(a)):

(a) complete its obligations hereunder;

(b) promptly make all decisions required under this Agreement and seek all Approvals required hereunder;

(c) promptly execute and deliver such evidence of the Owner and Developer’s authority as may be required by third parties and/or as the Monitor may require; and;

(d) make all expenditures in respect of the Project as may be approved by the Owner and the Lender in accordance with this Agreement.

ARTICLE 6
TERMINATION

6.1 Termination of Agreement

(a) Default by the Owner and Developer: If the event that the Lender determines that an Event of Default has occurred, which such determination shall be at the sole and unfettered discretion of the Lender, the Lender shall have the right to terminate this Agreement by Notice (a “Notice of Termination”) to the Owner and Developer stating that this Agreement is terminated and the reason for termination. Such termination shall be effective as of the date on which the Notice of Termination is received by the Developer.

(b) Pre-emptive Termination: In the event that an Event of Insolvency or a Lender Prepayment has occurred, in respect of any Party other than the Vendor, any other
Party may terminate this Agreement by Notice to the insolvent Party and all other Parties, stating that this Agreement is terminated and the reason for termination, with such termination to be effective as of the date immediately prior to the date upon which the Event of Insolvency has occurred.

(c) Conclusion of CCAA Proceedings: In the event that the CCAA Proceedings are concluded for any reason without a CCAA Plan being approved by the Court, the rights of the Vendor under this Agreement shall be terminated automatically except to the extent of any charge granted as security by order of the Court in respect of the assets of the Vendor in the CCAA Proceedings.

(d) Termination by the Lender: The Lender shall have the right, in the event of default of the Owner or the Developer, to terminate this Agreement at any time and from time to time by Notice to the Owner or the Developer, as the case may be, stating that this Agreement is terminated. Such termination shall be effective as of the date on which the Notice thereof is received by the Owner and Developer.

(e) Survival of Vendor Profit Participation: Notwithstanding any termination of this Agreement other than pursuant to Subsection 6.1(e) hereof, the Vendor Profit Participation shall survive any termination of this Agreement.

6.2 Delivery of Records, etc.

If this Agreement is terminated or expires for any reason other than a Lender Prepayment, the Owner and Developer shall, notwithstanding such termination or expiry, forthwith upon such termination or expiry and from time to time thereafter deliver to the Lender or any representative of the Lender including any receiver of the Project appointed privately or by the Court at its instance, copies of all records and documents in an organized manner, including, without limitation the following:

(a) document plans and specifications;
(b) the Development Plans, including the Pro-Forma Budget and Development Schedule;
(c) all Contracts;
(d) all operating records;
(e) books of account;
(f) all supplies, services and materials (to the extent paid for by the Lender if the same have been acquired by the Developer in accordance with the terms of this Agreement), keys, garage cards, parking permits and passes; and
(g) all pending development applications and all development approvals relating to the Lands,
and ancillary documents maintained with respect to the Project (whether on or off-site) which are then in the possession or control of the Owner and Developer which the Lender or any receiver of the Project appointed at its instance may reasonably requires in order to engage another Developer to complete the Project and which relate directly or indirectly to the Project; provided that the Owner and Developer may elect to retain copies of such records, books of account and documents and notwithstanding such expiry or termination The Owner and Developer shall keep all such information confidential.

Upon termination or expiration of this Agreement, the Owner and Developer shall also deliver to both the Lender and the Monitor the following with respect to the Project:

(i) a final accounting of the Development Costs as of the date of termination to be delivered within thirty (30) days after such termination; and

(ii) any balance of monies advanced by the Lender and held by the Owner and Developer with respect to, or for the benefit of, the Project to be delivered immediately upon such termination.

6.3 Effect of Continued Performance

If this Agreement is terminated, the Lender shall not be under any obligation to pay to the Owner and Developer any amount whatsoever for services performed by the Owner and Developer after the effective date of termination unless such performance has been expressly Approved by the Lender and, in that event, the Owner and Developer shall be entitled to be paid on a quantum meruit basis.

6.4 Duties of the Owner and Developer Flowing From Termination

Upon termination of this Agreement in accordance with Section 6.1 (a), (b) or (e), the Owner and Developer shall, as requested by the Lender:

(a) to the extent necessary, assign the Contracts entered into by the Owner or Developer as directed in writing by the Lender if such Contracts have been entered into in accordance with the terms and provisions of this Agreement and indemnify and save the Lender harmless against any liability by reason of anything done or required to be done under any such Contract after the effective date of termination of the Agreement;

(b) pay for and indemnify and save the Lender harmless from and against the costs of all services, materials and supplies ordered by the Owner or Developer in accordance with the Pro Forma Budget and paid in accordance with the Development Schedule or otherwise in accordance with the terms and provisions of this Agreement but which may not have been charged to and paid by the Owner or Developer at the time of termination;

(c) pay the Development Costs recoverable under Section 4.4 to the effective date of termination; and
(d) be entitled to conduct a post-termination financial audit of the Project at its own expense, and the Developer shall co-operate with respect to same.

6.5 Rights on Termination

Any termination of this Agreement shall terminate all rights and obligations under this Agreement from and after the date of such termination except rights and obligations with respect to matters to be performed to such date and all legal remedies available at such date for any breach of this Agreement. In addition, Sections 6.1, 6.2, 6.3, 6.4, 7.1, 7.2, 9.7, 9.9 and 9.18 shall survive any termination of this Agreement and shall remain in full force and effect thereafter. Notwithstanding anything to the contrary contained herein and for greater certainty, the Development Management Fee is payable only after Substantial Completion of the Project. If this Agreement is terminated for any reason prior to Substantial Completion of the Project, no Development Management Fee shall be deemed earned by the Owner and Developer or owing to the Owner and Developer.

ARTICLE 7
INDEMNITIES AND LIABILITY

7.1 Indemnity by the Owner and Developer

During the Term and thereafter, and after the termination of this Agreement, the Owner and the Developer shall and do hereby jointly and severally indemnify and save the Lender harmless from any action, cause of action, suit, debt, cost, expense, claim or demand whatsoever at law or in equity (collectively, "Claims") in connection with the performance by the Owner and/or Developer of any and all of its obligations under this Agreement or pursuant to the policies, limitations, instructions and procedures of the Owner and/or Developer and all obligations incurred by the Owner and/or Developer in connection with the Project pursuant to this Agreement, including, without limitation, any liability in respect of hazardous substances, any damage or injury whatsoever to any employee or other person or property in connection with the Project or any other assets of the Owner and/or Developer relating to the Project during the Term.

The indemnity provided under this Section 7.1 shall not extend to any Claims for which insurance proceeds have been recovered by the Lender and shall not override any provision of this Agreement that allocates responsibility or obligations to the Lender.

7.2 Exculpation

Notwithstanding any other provision in this Agreement, the Lender acknowledges that so long as the Owner and/or Developer, its officers and servants have acted in good faith and have exercised reasonable care and due diligence in the performance of its duties hereunder, the Owner and/or Developer shall not be liable for any loss of revenue or consequential damages by reason of vacancies or by reason of any tenant or occupant failing to pay rent or for any damage to or destruction of any part of the Project or for the injury to persons or property or for loss of life and the Lender further acknowledges that the Owner and/or Developer shall not be liable for any depreciation in the value of the Project or the Lands nor shall the Owner and/or Developer be liable for any error in judgment of its officers, servants, agents or independent contractors
provided that the Owner and/or Developer has acted in good faith and has exercised reasonable care in the selection of its officers, servants, agents or independent contractors and due diligence in their supervision, guidance and control.

ARTICLE 8
NOTICES

8.1 Notices

Any notice (hereinafter referred to as a "Notice") to be given under or in connection with this Agreement shall be in writing and shall be given by personal delivery, courier or by facsimile which results in a written or printed notice being given, addressed or sent as set out below or to such other address or electronic number as may from time to time be the subject of a Notice:

(a) in the case of the Vendor:

2164566 Ontario Inc.
c/o Hush Inc.
75 International Blvd #400,
Toronto, ON
M9W 6L9

Attention: Naheel Suleman
Telephone: 416-768-6800
Email: naheel@hush.ca

with a copy to the Monitor:

The Fuller Landau Group Inc.
151 Bloor Street West
12th Floor
Toronto, ON
M5S 1S4

Attention: Gary Abrahamson
Telephone: 416-645-6560
Email: gabrahamson@FullerLLP.com

(b) in the case of the Lender:

MarshallZehr Group Inc.
465 Phillip St, Suite 206
Waterloo, ON, N2L6C7

Attention: Murray Snedden

Telephone: 519-342-1000 x 232
- 22 -

Email: msnedden@marshallzehr.com

(c) in the case of the Owner and the Developer:

Pace Developments Inc.
30 Wertheim Cr.
Richmond Hill, ON
L4B 1B9

Attention: Dino Sciavilla
Telephone: 905-731-5069 x30
Email: dino@pacedev.ca

(d) in the case of the Monitor:

The Fuller Landau Group Inc.
151 Bloor Street West
12th Floor
Toronto, ON
M5S 1S4

Attention: Gary Abrahamson
Telephone: 416-645-6560
Email: gabrahamson@FullerLLP.com

Any Notice, if delivered personally or by courier, shall be deemed to have been validly and effectively given and received on the date of delivery and if sent by facsimile or other electronic communication, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received. Any Notice given by any party under or in connection with this Agreement, if addressed to less than all of the parties to this Agreement, shall also be concurrently copied and given to the parties to this Agreement to whom the Notice is not addressed.

Any party may at any time and from time to time, change its address for delivery for the purposes of this Section by giving at least ten (10) days’ Notice to the other parties.

ARTICLE 9
GENERAL

9.1 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

9.2 Captions, Table of Contents and Legislation

The captions and table of contents contained herein are for reference only and in no way affect this Agreement or its interpretation. Any reference in this Agreement to any act or statute or any
Section thereof shall be deemed to be a reference to such act or statute or Section thereof as amended or re-enacted from time to time.

9.3 Obligations as Covenants

Each obligation of a party hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

9.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

9.5 Invalidity

If any covenant, obligation or agreement or part thereof or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any person or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

9.6 Amendment of Agreement

No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party hereto to be bound thereby.

9.7 Successors and Assigns

All of the provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of and be enforceable by the parties hereto and the successors and assigns of any party hereto only to the extent that they are permitted successors and assigns pursuant to this Agreement and any assignee of the rights of the Lender under this Agreement pursuant to any plan of compromise or arrangement implemented by the Lender shall be a permitted assignee of the Lender with all of the Lender’s rights pursuant hereto.

9.8 Accounting Principles

Except as specifically provided otherwise in this Agreement, all calculations referred to in this Agreement shall be made in accordance with generally accepted accounting principles and practices applicable to the public real estate industry in Canada and applied on a consistent basis.

9.9 HST

The parties acknowledge that all fees and other amounts payable under this Agreement shall bear HST and each party to this Agreement covenants to remit any HST owing when due under applicable law.
9.10 Schedules

The Schedules attached hereto form part of this Agreement.

9.11 Time

Except as specifically provided otherwise in this Agreement, time shall be of the essence of this Agreement. When any period of time provided for herein expires on a day other than a Business Day, such period of time shall automatically be extended to the next following Business Day and, when any action or requirement provided for herein is to occur on a day other than a Business Day, the time for such action or requirement shall automatically be extended to the next following Business Day.

9.12 Non-Waiver

No consent to or waiver of any breach or Event of Default by any party hereto in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by such party hereto of the same or any other obligations of such party hereto hereunder. Failure on the part of any party hereto to complain of any act or failure to act of any other party hereto or to declare any other party hereto in breach or default, irrespective of how long such failure continues, shall not constitute a waiver by such party hereto of its rights hereunder.

9.13 Rights of Parties Independent

The rights available to each party hereto under this Agreement and at law shall be deemed to be several and not dependent on each other and each such right shall be accordingly construed as complete in itself and not by reference to any other such right. Any one or more and/or any combination of such rights may be exercised by a party hereto from time to time and no such exercise shall exhaust the rights or preclude such party hereto from exercising any one or more of such rights or combination thereof from time to time thereafter or simultaneously.

9.14 Status Reports

Each party hereto agrees, upon the reasonable request of any other party hereto or the Monitor, made from time to time, to furnish promptly a written statement on the status of any matter pertaining to the requesting party hereto to the best of the knowledge and belief of such other party hereto at the cost of the requesting party hereto.

9.15 No Representations

Except as specifically set forth herein, the parties agree that there are no representations and warranties by any of them with respect to this Agreement.

9.16 Further Assurances

Each of the parties hereto shall, from time to time and upon every reasonable written request of any other party hereto, give, execute and deliver all such further assurances as may be required
for more effectively implementing and carrying out the true intent and meaning of this Agreement.

9.17 Unavoidable Delay

Whenever in this Agreement it is provided that anything is to be done or performed and the doing or performance thereof is impossible or delayed due to Unavoidable Delay, neither the Lender nor the Owner and Developer shall be regarded as being in default in the performance of any obligation hereunder during the period of any Unavoidable Delay relating thereto and each of them shall notify the other in writing of the commencement, duration and consequences (so far as the same is within the knowledge of the party in question) of any Unavoidable Delay affecting the performance of any of its obligations hereunder and shall use all commercially reasonable efforts to minimize the effect of the same. In the event of such Unavoidable Delay or non-performance by either party, then such obligated party, so long as any such impediment exists, shall be relieved from its duties in respect thereto and the other party shall not be entitled to compensation for any damages, inconveniences, nuisance or discomfort thereby occasioned or be entitled to terminate this Agreement as a result thereof.

9.18 Confidentiality

(a) The Owner and Developer shall keep in strict confidence and shall not disclose to any person who is not a party hereto except as necessary to discharge its obligations hereunder, this Agreement and any and all information obtained with respect to the Project, or the Lender or of either of them unless and until Approval of the Lender is obtained or such disclosure is, in connection with proceedings between the parties hereto or is otherwise required by law including, without limitation, the securities laws or the policies, rules or by-laws, as applicable, of any securities commission or similar body having jurisdiction over a party hereto and of any stock exchange on which any securities issued by such party are traded. All reports and other information referable to the Project received by the Owner and Developer or any one of its officers, directors or shareholders shall be considered to have been received on an absolutely confidential basis and accordingly shall, subject to Subsection 9.18(e), not be disclosed to any other person whatsoever other than to the Monitor and the Court as may be necessary for the Owner, the Developer or the Monitor to discharge its obligations hereunder.

(b) The Lender shall keep in strict confidence and shall not disclose to any person who is not a party hereto, this Agreement and any and all information obtained with respect to the Owner and Developer, unless and until the consent of the Owner and Developer is obtained or such disclosure is, in connection with the CCAA Proceedings or any other proceedings between the parties hereto, ordered by the Court or is otherwise required by law including, without limitation, securities laws or the policies, rules or by-laws, as applicable, of any securities commission or similar body having jurisdiction over a party hereto and of any stock exchange on which any securities issued by such party are traded. All reports and other information referable to the Owner and Developer received by the Lender or any one of its officers, directors or shareholders shall be considered
to have been received on an absolutely confidential basis and accordingly, shall, subject to Subsection 9.18(c), not be disclosed to any other person whatsoever.

(c) Nothing in this Section shall preclude disclosure by the Lender or the Owner and Developer of information referable to the Project (including projections), on a confidential basis, as aforesaid:

(i) to its officers, directors, employees, servants, agents, shareholders, tenants, lenders or prospective lenders, and purchasers, or any of their respective advisors, and then only as and to the extent necessary and it shall instruct such parties to comply with the applicable provisions of this Section;

(ii) necessary or desirable to assist in a financing, refinancing or sale of the Lands or an interest therein;

(iii) subject to reasonable notice to the other parties hereto, in pleadings or in evidence in the course of any legal or administrative proceedings under circumstances whereby the Lender or Owner and Developer is obliged to disclose such information;

(iv) to contractors, Consultants, suppliers and others in connection with the Project or the Owner and Developer’s performance of its obligations hereunder and it shall instruct such parties to comply with the applicable provisions of this Section;

(v) as may be required by law or by any governmental authority having jurisdiction over the Lender or the Owner and Developer and being entitled in law to receive such information, nor shall the Lender or the Owner and Developer be precluded from extracting from such information financial data necessary to report on the status of the Owner and Developer’s investment in the Lands to its shareholders, lenders, professional advisers and such other persons as a prudent investor of real estate would determine acting reasonably; or

(vi) otherwise with the consent of the other parties hereto.

(d) The obligations contained in this Section shall survive the expiry or termination of this Agreement.

9.19 Entire Agreement

This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements, whether oral or written, of the parties hereto with respect thereto.

9.20 Canadian Dollars

All monetary references in this Agreement are to Canadian dollars.
IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the date hereof.

2164566 ONTARIO INC.

By: 
Name: 
Title: 
I/We have the authority to bind the Corporation/Partnership.

2462357 ONTARIO INC.

By: 
Name: 
Title: 
I/We have the authority to bind the Corporation/Partnership.

PACE DEVELOPMENTS INC.

By: 
Name: 
Title: 
I/We have the authority to bind the Corporation/Partnership.

MARSHALLZEHR GROUP INC.

(By: 
Name: 
Title: 
I/We have the authority to bind the Corporation/Partnership.)
Schedule “A”

LANDS

4583, 4589, and 4601 Mississauga Road, Mississauga and having the legal description set out in Schedule more particularly described as Part of Lts 3 and 4, Range 5, North of Dundas Street, City of Mississauga, Region of Peel.
SCHEDULE “N”
STOCK OPTION AGREEMENT

THIS AGREEMENT made as of the 27th day of April, 2015.

BETWEEN:

NAHEEL SULEMAN

(the “Optionor”)

OF THE FIRST PART

AND:

PACE DEVELOPMENTS INC.

(the “Optionee”)

OF THE SECOND PART

WHEREAS the Optionor is the legal and beneficial owner of all of the outstanding common shares in the capital of the Optionor, being 100 such common shares (“Common Shares”) of 2462357 Ontario Inc. (the “Corporation”);

AND WHEREAS the Optionor desires to grant the Optionee an option to purchase the Common Shares exercisable on and subject to the terms set out herein;

THIS AGREEMENT WITNESSETH that in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Option

1. The Optionor hereby grants to the Optionee, subject to the terms and conditions hereinafter set out, an irrevocable option (the “Option”) to purchase the Common Shares, as constituted at the date of this Agreement (the “Optioned Shares”), at a price of $1.00 per Optioned Share.

Expiry Date

2. The Option may be exercised any time (the “Exercise Period”) following the earlier of:

(a) the approval of a Plan of Compromise or Arrangement (“CCAA Plan”) pursuant to the Companies’ Creditors Arrangement Act (Canada) (“CCAA”) in respect of Hush Homes Inc., Hush Inc., 2122763 Ontario Inc., 2142301 Ontario Inc. and 2164566 Ontario Inc. (collectively the “Applicants) by the Ontario Superior Court of Justice (“Court”);

(b) the rejection of any CCAA Plan in respect of the “Applicants by their creditors; and

(c) the abandonment by the Applicants or termination by the Court of CCAA proceedings initiated in respect of the Applicants;
provided, however, that such exercise shall be prior to 5:00 p.m. (Toronto time) on May 15, 2025 (the “Expiry Date”). On the Expiry Date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Optioned Shares in respect of which the Option hereby granted has not then been exercised.

Vesting

3. The Option is fully vested and exercisable by the Optionee as of May 1, 2015 unless the Corporation has repaid or refinanced all of its indebtedness to MarshalZehr Group Inc., inclusive of all interest and fees due or accruing due thereon or payable now or deferred in respect thereof.

Exercise of Option

4. (a) Subject to the foregoing provisions, the Option shall be exercisable at any time during the Exercise Period and from time to time as aforesaid by the Optionee giving a notice to the Optionor, in substantially the form attached hereto as Appendix “A”, specifying therein the number of Optioned Shares in respect of which the Option is being exercised, accompanied by payment in cash, certified cheque or bankers’ draft payable in full payment of the purchase price for such number of Optioned Shares so specified therein.

(a) Upon any exercise of the Option as aforesaid, the Optionor shall forthwith [cause the Transfer Agent and Registrar of the Optionor to] deliver to the Optionee, or the Optionee’s legal personal representative or as they may otherwise in writing direct in the notice of exercise of Option, within ten (10) days following the receipt by the Optionor of payment for the Optioned Shares, a certificate or certificates representing in the aggregate such number of Optioned Shares as the Optionee or the Optionee’s legal personal representative shall have then paid for.

No Obligation to Exercise Option

5. Nothing herein contained or done pursuant hereto shall obligate the Optionee to purchase and pay for any Optioned Shares except those Optioned Shares in respect of which the Optionee shall have exercised in the manner herein provided.

Rights as a Shareholder

6. The Optionee shall, even prior to the exercise of the Option, have those rights in respect of the Optioned Shares as are set out and provided for in the shareholder agreement annexed hereto as Schedule “A” as if the Option had been exercised.

Transferability

7. The Option is not transferable or assignable and may be exercised only by the Optionee.

Reservation of Treasury Shares

8. The Optionor shall at all times, during the term of this Agreement, reserve and keep available a sufficient number of unissued Common Shares in the capital of the Optionor to satisfy the requirements hereof.
Investment Representations, Legends, and Agreements

9. (a) The Optionor may require the Optionee, as a condition of exercising such Option, to give written assurances in substance and form satisfactory to the Optionor to the effect that such Optionee is acquiring the Optioned Shares subject to the Option for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Optionor deems necessary or appropriate in order to comply with federal and applicable state or provincial securities laws, including the Securities Act (Ontario) and the United States Securities Act of 1933, both as amended (all such legislation, regulations, and rules made thereunder, “Applicable Laws”), or with covenants or representations made by the Optionor in connection with any public offering of its common shares. The Optionee represents warrants and covenants that:

(i) Any Optioned Shares purchased upon exercise of the Option shall be acquired for the Optionee’s account for investment only, and not with a view to, or for sale in connection with, any distribution of the shares in contravention or circumvention of Applicable Laws.

(ii) The Optionee has had such opportunity as he or she has deemed adequate to obtain from representatives of the Optionor such information as is necessary to permit the Optionee to evaluate the merits and risks of his or her investment in the Optionor.

(iii) The Optionee is able to bear the economic risk of holding the Optioned Shares acquired pursuant to the exercise of the Option during the Exercise Period.

(a) By making payment upon exercise of the Option, the Optionee shall be deemed to have reaffirmed, as of the date of such payment, the representations made in this Section 8.

Anti-Dilution

10. (a) If, after the date hereof, the Optionor subdivides, redvides, combines, consolidates, reclassifies or otherwise changes its then outstanding Common Shares into a greater or lesser number of Common Shares or different shares, upon exercise of the Option granted pursuant to this Agreement the Optionee shall be entitled to receive and shall accept, in lieu of the number of Common Shares to which the Optionee is entitled upon the exercise of the Option, the aggregate number and variety of shares of the Optionor to which the Optionee would have been entitled as a result of such subdivision, redivision, combination, consolidation, reclassification or other change.

(a) If there is a capital reorganization of the Optionor or other change in the Common Shares not covered by section 10(a) or a consolidation, merger or amalgamation of the Optionor with or into any other Optionor or entity (other than a consolidation, merger or amalgamation which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities) or a transfer of all or substantially all of the Optionor’s undertaking and assets to another Optionor or entity in which the holders of Common Shares are entitled to receive shares, other securities or property (a “Capital Reorganization”), the Optionee shall be entitled to receive and shall accept, in lieu of the number of Common Shares to which the Optionee is entitled upon the exercise of the Option, the aggregate number and variety of shares or other
securities or property which the Optionee would have been entitled to receive as a result of such Capital Reorganization.

(b) Any adjustments made pursuant to this section 10 shall be subject to the following rules and procedures:

(i) the adjustments provided for are cumulative and shall be made successively whenever an event referred to herein shall occur;

(ii) if the Optionor sets a record date to take any action and thereafter and before taking such action abandons its plan to take such action, then no adjustment shall be required by reason of setting such record date;

(iii) upon the occurrence of each and every event set out in this section 10, the provisions of this Agreement shall ipso facto be deemed to be amended accordingly and the Optionor shall take all necessary action to comply with such provisions as so amended;

(iv) if the Optionor takes any action affecting the Common Shares after the date hereof, other than any action described in this section 10, which in the reasonable opinion of the board of directors of the Optionor would materially affect the rights of the Optionee or the number of Common Shares which may be issued upon exercise of the Option pursuant to this Agreement, this Agreement shall be amended in such manner and at such time as the board of directors of the Optionor in its sole discretion may determine to be equitable in the circumstances; provided that failure of the Optionor to make such an adjustment shall be prima facie evidence that the board of directors of the Optionor has determined that it is equitable to make no adjustment in the circumstances. If any such adjustment is made, the Optionor shall deliver a notice to the Optionee describing such adjustment;

(v) in case a state of facts exists to which the provisions of this section 10 are not strictly applicable or, if strictly applicable, operate in an unclear manner or in a manner that would not fairly adjust the rights of the Optionee against dilution in accordance with the intent and purposes of this section 10, the Optionor shall execute and deliver to the Optionee an amendment to this section 10 providing for an adjustment in the application of such provisions so as to adjust such rights in accordance with the advice of legal counsel to whom the Optionor may refer any such question;

(vi) in the event of any question arising with respect to the adjustments provided in this section 10, such question shall be submitted for determination by the auditors or accountants, as applicable, of the Optionor and such determination shall be binding upon the Optionor and the Optionee;

(vii) as a condition precedent to the taking of any action which would result in an adjustment to the Common Shares issuable pursuant to this Agreement, the Optionor shall take any corporate action which may be necessary in order that the Common Shares to which the Optionee are entitled upon exercise of the Option in accordance with the provisions hereof shall be available for such purpose and
that such Common Shares may be validly and legally issued as fully paid and non-assessable; and

(viii) the Optionor shall, from time to time immediately after the occurrence of any event which requires an adjustment in the number of Common Shares issuable pursuant to the exercise of the Option, deliver a certificate of a senior officer of the Optionor to the Optionee specifying the nature of the event requiring the adjustment and the adjustment thereby necessitated and setting forth in reasonable detail the adjusted number of Common Shares, method of calculation and the facts upon which such calculation is based.

Notice

11. Any notice required or permitted to be given hereunder shall be in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

if to the Optionee at:

Pace Developments Inc.
30 Wertheim Cr.
Richmond Hill, ON
L4B 1B9

Attention: Dino Scavilla
Telephone: 905-731-5069 x30
Email: dino@pacedev.ca

with a copy (for information purposes only and not to constitute notice)

David Chong
Barrister and Solicitor
Suite 202
1370 Don Mills Road
Don Mills, Ontario
M3B 3N7

Fax: (416) 510-2234 - facsimile
Email: David@DavidChong.ca
Attention: David Chong

and if to the Optionor at:

Naheel Suleman
c/oHUSH Homes Inc.
75 International Blvd #400,
Toronto, ON
M9W 6L9

Email: naheel@hush.ca
Attention: Naheel Suleman

with a copy to:

Wildeboer Dellelce LLP
Wildeboer Dellelce Place, Suite 800
365 Bay Street
Toronto, ON M5H 2V1

Attention: W. Alfred Apps
Email: aapps@wildlaw.ca

or such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the other. Any such notice given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth business day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

Time of the Essence

12. Time shall be of the essence of this Agreement.

Governing Law

13. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Entire Agreement

14. This Agreement constitutes the entire agreement among the parties relating to the subject matter hereof and supersedes all prior agreements and undertakings, oral or written, between the parties hereto with respect to the subject matter hereof.

Enurement

15. This Agreement shall enure to the benefit of and be binding upon the Optionor, its successors and assigns, and the Optionee and the Optionee's legal personal representatives.

Assignment

16. Except as permitted by any stock exchange on which the Common Shares of the Optionor are listed and posted for trading and applicable securities laws, this Agreement shall not be assignable by the Optionee or by the Optionee's legal personal representative.

Counterparts and Electronic Execution
17. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

Independent Legal Advice

18. The Optionee acknowledges that:

(a) the Optionee has been afforded the opportunity to obtain independent legal advice with respect to the terms of this Agreement prior to its execution;

(b) the Optionee has obtained independent legal advice with respect to the terms of this Agreement or has declined to seek such independent legal advice despite having been given the opportunity to do so, and being advised to do so, by the Optionor;

(c) the Optionee has read this Agreement and understands the terms and the Optionee’s rights and obligations hereunder; and

(d) the Optionee has entered into this Agreement voluntarily.

[Remainder of page intentionally left blank.]
IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

Naheel Suleman (Optionor)

Witness

PACE DEVELOPMENTS INC. (Optionee)

By: Dino Sciavilla, Authorized Signing Officer

2562357 ONTARIO INC.

By: Dino Sciavilla, Authorized Signing Officer
APPENDIX A

FORM OF NOTICE OF EXERCISE

TO: • (the “Optionor”)

Reference is made to the stock option agreement dated as of ____________________, 2015 (the “Option Agreement”) between the Optionor and the undersigned Optionee. All capitalized terms used in this notice and not defined in this Notice of Exercise have the meanings ascribed thereto in the Option Agreement.

The undersigned Optionee hereby irrevocably gives notice of the exercise of the Option to purchase ____________________ Common Shares (or such number of Common Shares or other securities to which the Option Agreement entitles the Optionee in lieu thereof or in addition thereto) pursuant to the Option Agreement at an exercise price of [USD/CDN]$• per share, for an aggregate subscription amount of [USD/CDN]$__________________ (the “Aggregate Option Price”) on the terms specified in the Option Agreement and encloses herewith a certified cheque, banker’s draft, or money order payable to the order of the Optionor in full satisfaction of the Aggregate Option Price.

The undersigned Optionee hereby directs that the said securities be registered as follows:

Name: ________________________________
Address: ________________________________
                                           ________________________________
                                           ________________________________

DATED this ______ day of ____________________, ______.

•

By: ________________________________
    [name], [position]
SCHEDULE "O"
SCHEDULE "O"

DIRECTION RE PAYMENT OF FUNDS

TO: 2164566 ONTARIO INC.
AND TO: MARSHALLZEHR GROUP INC.
AND TO: 2462357 ONTARIO INC.
AND TO: WILDEBOER DELLELCE LLP, THEIR SOLICITORS HEREIN
DATE: APRIL 24, 2015

RE: 2164566 ONTARIO INC. MORTGAGE TO V.S. CAPITAL CORPORATION ("VS") REGISTERED AS INSTRUMENT NUMBER PR2497773 (the "Sixth MP Mortgage")
RE: 2164566 ONTARIO INC. MORTGAGE TO ZAHERALI VISRAM ("Visram") REGISTERED AS INSTRUMENT NUMBER PR2081847 (the "Second MP Mortgage")
RE: PAYMENTS PURSUANT TO DEBT RESTRUCTURING AGREEMENT MADE AS AT APRIL 20TH, 2015

YOU ARE HEREBY DIRECTED to pay the sum of Three Hundred and Seventy-Five Thousand ($375,000.00) Dollars (the "VS Amount"), representing $375,000 of the first $750,000 under the Second MP Mortgage that Visram has postponed in favour of the Sixth MP Mortgage in accordance with the Visram postponements, to GOLDMAN SLOAN NASH & HABER LLP ("GSNH"), in trust for payment to those participants in VS, other than Visram or persons related to Visram by blood or marriage, in respect of the Sixth MP Mortgage.

AND FOR SO DOING this shall be your full and sufficient and irrevocable authority.

This Direction may be executed in counterpart and delivered by facsimile copy or electronic mail and shall be deemed to have the same force and effect as an executed original.

V.S. CAPITAL CORPORATION
Per:

ZAHERALI VISRAM
AUTHORIZED SIGNING OFFICER

INAYETALI SUMAR
AUTHORIZED SIGNING OFFICER
1/We have authority to bind the Corporation
Witness:

ZAHERALI VISRAM
DIRECTION RE PAYMENT OF FUNDS - VS Capital v1.docx

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT OF HUSH HOMES INC., HUSH INC., 2122763 ONTARIO INC. and 2142301 ONTARIO INC. (collectively, the “APPLICANTS”)

Court File No.: CV-14-10800-00CL

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**(COMMERCIAL LIST)**

Proceedings commenced at Toronto

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**AFFIDAVIT OF WILLIAM ALFRED APPS**

**(SWORN ON APRIL 23, 2015)**

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Wildeboer Delleece LLP
Barristers and Solicitors
Suite 800
365 Bay Street
Toronto, ON M5H 2V1

Alfred Apps (LSUC # 277601)
Email: sapps@wildlaw.ca
Tel: (416) 361-6211
Fax: (416) 361-1790

Lawyers for the Applicants

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Thornton Grout Finnigan LLP
Barristers & Solicitors
Suite 3200, TD West Tower
100 Wellington Street West
P.O. Box 329, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Kyla E.M. Mahar (LSUC # 44182G)
Email: kmahar@tgf.ca
Tel: (416) 304-0594
Fax: (416) 304-1313

Litigation Agents for Wildeboer Delleece LLP, lawyers for the Applicants