

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

B E T W E E N:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

- and -

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD
PILEHVAR also known as BEN PILEHVAR, MAHTAB NALI also known as MAHTAB
NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO INC.
doing business as NALI AND ASSOCIATES**

Defendants

MOTION RECORD OF THE PLAINTIFF – VOLUME I
(*Ex Parte* Motion for *Mareva* Injunction and *Norwich* Order)

August 1, 2025

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Lawyers for the Plaintiff

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TAB 1

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by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

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INC. doing business as NALI AND ASSOCIATES**

Defendants

**NOTICE OF MOTION
(*ex parte* Mareva Injunction and Norwich Order)**

THE MOVING PARTY, London Valley IV Inc. ("**LV IV**") by its Court-Appointed Receiver and Manager, KSV Restructuring Inc. ("**KSV**") will make an *ex parte* motion, to be heard by a judge of the Ontario Superior Court of Justice (Commercial List), on August <*>, 2025 at <*>.

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

- ☐ In writing under subrule 37.12.1 (1) because it is made without notice;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

THE MOTION IS FOR:

1. An Order, in the form appended at Schedule “A” to this Notice of Motion, granting a *Mareva* Injunction as against the Defendants and a *Norwich* Order and certain ancillary relief noted in the draft Order;
2. Pursuant to Rule 40.03 of the *Rules of Civil Procedure*, dispensing with the requirement that the Plaintiff, by its Court-Appointed Receiver and Manager as an officer of the Court, provide an undertaking as to damages in respect of the *Mareva* Order sought;
3. Leave *nunc pro tunc* to file a factum in excess of the 20-page limit established by the Consolidated Practice Direction – Toronto Region, effective June 30, 2025;
4. An order that the costs of this Motion be paid by the Defendants to the Plaintiff on a scale as is just; and
5. granting such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

6. Pursuant to an Order of this Court issued March 6, 2025 (the “**Receivership Order**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, London Valley IV Inc. (“**LV IV**”), and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act* (the “**Receivership Proceedings**”).

7. The Receivership Proceedings were commenced by way of application brought by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the "**Kobayashi Group**") over various property and companies. Members of the Kobayashi Group were investors in and co-owners (all such co-owners being referred to as "**Co-Owners**") of, *inter alia*, the LV IV Property (holding an approximately 72% undivided beneficial interest therein).
8. Since its appointment, the Receiver has used, and continues to use, its investigatory powers under the Receivership Order to investigate misconduct in the governance of LV IV for the benefit of stakeholders thereof including, *inter alia*, the Kobayashi Group and other co-owners of the LV IV Property.

THE LV IV PROPERTY

9. LV IV was previously the registered owner of the real property municipally known as 6211 Colonel Talbot Road, London, Ontario and legally described under PIN 08211-0150 (the "**LV IV Property**").
10. On February 5, 2025, the LV IV Property was sold and transferred for \$2 million.
11. At the time of the sale of the LV IV Property, the Defendant Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr ("**Pilehver**") was a director of LV IV.
12. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the "**Proceeds**") were paid into the trust account of a lawyer named Parminder Hundal of the law firm Parminder Hundal Law Professional Corporation ("**Hundal**"), who acted as counsel to LV IV in the transaction.

13. In February and March 2025, prior to the Receiver's appointment, the Proceeds were disbursed at Pilehver's direction, including as follows:
- (a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to the Defendants Nali and Associates ("**Nali and Associates**") and Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar ("**Nali**"), which resulted in the following disbursements totalling \$897,859.49:
- (i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal's trust account to Nali, which is believed to have been deposited into The Toronto-Dominion Bank account number 1929-6177612 held in the name of Mahtab Nali (the "**Nali Bank Account**"). Initially, a wire in this amount was evidently sent to "Mahtab Nali" with reference to an account number 1929-5023332 (together with the Nali Bank Account, the "**Nali Bank Accounts**"), but was evidently voided and did not go through. Nali is believed to be Pilehver's spouse, although that has not been confirmed by the Receiver;
- (ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal's trust account to Nali and Associates, which the Receiver believes to be to the benefit of Nali and/or Pilehver;
- (b) Per a further written direction executed by Pilehver on February 10, 2025:
- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
- (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;

- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and
- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP. On March 21, 2025, Blaney McMurtry LLP advised the Service List in the Receivership Proceedings that it has been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada Management Inc. ("**TGP Canada**") (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada.
14. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property, and then misappropriated the proceeds of sale therefrom by directing LV IV's counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 13 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.
15. Pilehver profited and benefited from these breaches of his duties, as did Nali and Nali and Associates.
16. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.
17. The sale of the LV IV Property was in contravention of co-ownership arrangements governing the LV IV Property which require that, *inter alia*, such property can only be sold

if an ordinary resolution is passed by the applicable owners, and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed. No such distribution occurred.

18. Based on the foregoing transactions and the surrounding circumstances, as further detailed in the Third Report of the Receiver dated August 1, 2025 (the “**Third Report**”), the Receiver believes that the proceeds from the sale of the LV IV Property were improperly paid to directly or indirectly benefit the Defendants.
19. The Receiver commenced this action to seek the Mareva Injunction and Norwich Order which is the subject of the within motion, and to claim additional relief, including, a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (a) with respect to Pilevhver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (b) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
20. By virtue of the facts set out in the Third Report, the Plaintiff has a strong *prima facie* case against the Defendants.
21. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. In addition, there are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and the Nali Bank Accounts.

22. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein.
23. The Plaintiff and its stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.
24. The balance of convenience favours granting a *Mareva* injunction.
25. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and the *prima facie* strength of the case.
26. Furthermore, the *Norwich* relief sought is justified given the Plaintiff's *bona fide* claim against the Defendants and the fact that records at the Financial Institutions are necessary in order to trace the funds obtained by the Defendants and identify any others involved in the scheme. Furthermore, the Financial Institutions are the only practical source of this information, and the public interest favours disclosure.
27. In the Third Report, the Receiver has made full and frank disclosure of all material facts, including that:
 - (a) The Receiver has not inquired with the recipients of the Proceeds listed in paragraph 13 above as to why they received such proceeds. It is the Receiver's position that it is not required to have made such inquiries. Despite the Receiver's inquiries of Pilehver and his known lawyers as to what happened to the sale proceeds from the LV IV Property, no explanation or response was provided by Pilehver, and upon receiving documentation from Hundal's LawPro counsel as to where the proceeds were disbursed, the Receiver

commenced this action and motion in an attempt to secure the misappropriated public investors' funds at issue for the benefit of LV IV's stakeholders;

- (b) To the Receiver's knowledge, Pilehver and the Paybank Parties have at all times taken the position that they have acted in the best interests of the Co-Owners, with requisite authority of the Co-Owners, including as was detailed by Pilehver in an affidavit which he swore on January 20, 2025 (the "**Pilehver Affidavit**") in certain proceedings commenced in Hamilton, Ontario (CV-24-00087580-0000, the "**Hamilton Proceedings**"), in which TGP Canada had sought to intervene.
- (c) The Hamilton Proceedings were commenced by and against certain parties to transactions which took place in 2024 concerning the Land Banking Enterprise (as defined in the Third Report) at issue, and which transactions are referred to in the Third Report as the Enterprise Transaction;
- (d) The underlying transactions and validity of them which took place in 2024 as part of the Enterprise Transaction are not yet fully understood by the Receiver given the scarcity and incompleteness of the books and records available to the Receiver, and Pilehver may have an explanation for his conduct as pleaded herein. However, based on the Receiver's review of the Pilehver Affidavit, the underlying investment documentation concerning the Kobayashi Group's beneficial interest as Co-Owners in the LV IV Property and an October 31, 2024 Injunction Order issued in the Hamilton Proceedings (as is discussed in the Third Report and Plaintiff's factum filed on this motion), there does not appear to be a *bona fide* justification for Pilehver's marketing and sale of the LV IV Property and his subsequent directions to Hundal with respect to the distribution of the Proceeds. The Receiver believes it has a strong *prima facie* case against the Defendants;

28. In all the circumstances, it is just and equitable for the Order sought to be granted.

29. Rules 1.04, 2.01, 2.03, 3.02, 37, 39, 40 and 57 of the *Rules of Civil Procedure*.
30. Sections 96 and 101 of the *Courts of Justice Act*.
31. The statutory, inherent and equitable jurisdiction of this Honourable Court.
32. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

33. The Third Report of the Receiver dated August 1, 2025.
34. The Factum of the Plaintiff dated August 1, 2025.
35. The pleadings and proceedings herein.
36. Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 1, 2025

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TAB 2



**Third Report of
KSV Restructuring Inc.
as Receiver of
London Valley IV Inc. *et al.***

August 1, 2025

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KKK	April 22, 2025 Email from LawPro Counsel with Highlighted Hundal Law Account Statement
LLL	April 22/23, 2025 Emails between Receiver's Counsel and LawPro Counsel
MMM	July 4, 2025 Email from LawPro Counsel to Receiver's Counsel
NNN	Olympia Payment Documents
OOO	Nali Payment Documents
PPP	Unik Credit Management Payment Documents
QQQ	Blaney Payment Documents
RRR	Remax Payment Documents
SSS	Hundal Payment Documents
TTT	Nali and Associates Payment Documents
UUU	City of London Payment Documents
VVV	Corporate Profile Report for Nali and Associates
WWW	Corporate Profile Report for Sand Gecko Inc.
XXX	Sand Gecko Ltd. [UK] Certificate of Incorporation, Application to Register a Company and Corporate Profile Report
YYY	Parcel Abstract for 50 West Wilmot Street, Suite 100, Richmond Hill, Ontario
ZZZ	Parcel Abstract for 48 Chelford Road, Toronto, Ontario
AAAA	Parcel Abstract for 70 Harrison Road, Toronto, Ontario
BBBB	Parcel Abstract for 355 Parkview Avenue, Toronto, Ontario
CCCC	Corporate Profile Report for Global Petroleum Investment Corporation
DDDD	Parcel Abstract for 27 Rean Drive, Ph 703, Toronto, Ontario

EEEE	Parcel Abstract for 3275 Sheppard Avenue East, Toronto, Ontario
FFFF	Corporate Profile Report for Golden Griddle Inc.
GGGG	Parcel Abstract for 10551 Highway 12, Port Perry, Ontario
HHHH	Parcel Abstract for 100 Harrison Garden Boulevard, 1515, Toronto, Ontario
IIII	LSO Proceedings Against Hundal (Exhibit "N" to Klemens Affidavit)
JJJJ	March 21, 2025 Service Letter from Paybank Parties' lawyer to Service List in Receivership Proceedings
KKKK	April 2, 2025 Email from Pilehver to Receiver
LLLL	April 8, 2025 Correspondence from Receiver's Counsel to Paybank Parties' lawyer
MMMM	April 16, 2025 Letter from Receiver's Counsel to Paybank Parties' lawyer
NNNN	Parcel Abstract for 25 Mallard Road, Unit 100, North York, Ontario
OOOO	TSI International-TGP Canada Promissory Note
PPPP	Parcel Abstract for 9063 Twiss Road, Milton, Ontario
QQQQ	Correspondence between Receiver's Counsel and Olympia Trust Company

COURT FILE NO.: CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI KYOHODO
CO., LTD. AND TORU FUKIAGE

APPLICANTS

- AND -

CLEARVIEW GARDEN ESTATES INC., TALBOT CROSSING INC., NIAGARA ESTATES
OF CHIPPAWA II INC., LONDON VALLEY INC., LONDON VALLEY II INC., LONDON
VALLEY III INC., LONDON VALLEY IV INC., LONDON VALLEY V INC., FORT ERIE HILLS
INC., 2533430 ONTARIO INC., CGE CAPITAL MANAGEMENT INC., TGP-TALBOT
CROSSING INC., NEC II CAPITAL MANAGEMENT INC., LV CAPITAL MANAGEMENT
INC., LV II CAPITAL MANAGEMENT INC., LV III CAPITAL MANAGEMENT INC., LV IV
CAPITAL MANAGEMENT INC., LV V CAPITAL MANAGEMENT INC. AND FORT ERIE
HILLS CAPITAL MANAGEMENT INC.

RESPONDENTS

THIRD REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

AUGUST 1, 2025

1.0 Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made in the Receivership Proceedings¹ on March 6, 2025 (the “**Appointment Order**”), a copy of which is attached hereto as **Appendix “A”**, KSV Restructuring Inc. (“**KSV**”) was appointed as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of certain entities and funds involved in a Land Banking Enterprise (as defined below), including:
 - a. the assets, undertakings and personal property of a number of corporations defined in the Appointment Order as the “**Nominee Respondents**”, which includes London Valley IV Inc. (“**LV IV**”); and

¹ The proceedings bearing Court File No. CV-25-00736577-00CL being referred to herein as the “**Receivership Proceedings**”. The Receiver’s Case Website can be accessed at: [Clearview Garden Estates](#).

- b. the income derived in any way from the ownership, operation, use, leasing, financing, refinancing, sale of, development and/or any other dealing whatsoever with any of the real property previously or currently owned by any of the Nominee Respondents, including the real properties municipally and legally described in Schedule “B” of the Appointment Order (the “**Segregated Funds**”) provided that such Segregated Funds shall not include any income derived from or by an arm’s length purchaser of such property after the date of such sale.
2. One of the properties listed in Schedule “B” to the Appointment Order is 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”).
3. Based on the Receiver’s investigatory steps taken to-date, it appears to the Receiver that the LV IV Property was improperly sold and transferred² on February 5, 2025, and that certain of the sale proceeds were improperly disbursed at the direction of Mr. Behzad Pilehver³ (“**Mr. Pilehver**”), including to Mahtab Nali⁴ (“**Ms. Nali**”) and to 2621598 Ontario Inc. doing business as Nali and Associates (“**Nali and Associates**”) (collectively, the “**Defendants**”).
4. At the time of the Receiver’s appointment, Mr. Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President. According to various corporate records, Ms. Nali and Mr. Pilehver have the same address, and the Receiver believes Ms. Nali is Mr. Pilehver’s spouse, although that has not been confirmed by the Receiver.
5. As is detailed in Section 4.0 below, there is evidence that \$1,071,551.06 of the LV IV Property sale proceeds appear to have been improperly distributed to or for the benefit of Ms. Nali and Mr. Pilehver, through payments made to Ms. Nali, Nali and Associates and to various law firms.
6. These transfers were completed on and after February 7, 2025, and were not subsequently reversed, despite Mr. Pilehver, either directly or through his lawyers, having been provided with notice of: (i) an October 31, 2024 Injunction Order issued in the Hamilton Proceedings⁵ prohibiting the sale of property within the Land Banking Enterprise, including the LV IV Property; (ii) the pending Receivership Proceedings; and subsequently, (iii) the Appointment Order.
7. The Receiver is of the view that such sale proceeds were improperly converted for the benefit of the Defendants, that LV IV and its underlying public investors were correspondingly deprived, and that there is no juristic reason for the Defendants’ enrichment in this regard.

² Titan Lands Inc. was the ultimate purchaser of the LV IV Property and is an Ontario corporation whom the Receiver understands to be an arm’s length purchaser.

³ Behzad Pilehver is also known as Ben Pilehver, Behzad Pilehvar, Ben Pilehvar, and Ben Pilevhr.

⁴ Mahtab Nali is also known as Mahtab Nali Pilehvar and Mahtab Pilehvar.

⁵ The Hamilton Proceedings and October 31, 2024 Injunction Order are addressed in Section 3.0 below. The October 31, 2024 Injunction Order is attached hereto as Appendix “SS”, and contains the *Mareva* injunction order at paragraph 5 thereof.

8. This report (“**Report**”) is filed by KSV, in its capacity as Receiver of LV IV, in support of the Receiver’s motion for an *ex parte* interim, and interlocutory, *Mareva* injunction as against the Defendants and related *Norwich* Order arising from the sale of the LV IV Property and the improper distribution of the sale proceeds thereof.

1.1 Purposes of this Report

9. The purposes of this Report are to:
- a. provide background information on the Receivership Proceedings and to provide full and fair disclosure of all material facts pertinent to the relief sought on the within motion; and
 - b. provide the basis to obtain an *ex parte* interim, and interlocutory, *Mareva* Injunction against each of the Defendants and a *Norwich* Order.

1.2 Currency

10. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

11. In preparing this Report, the Receiver has relied upon information, including:
- a. information compiled and provided by the Applicants in the Receivership Proceeding, referred to herein as the “**Kobayashi Group**” or the “**Receivership Applicants**”, including in the Application Record dated February 28, 2025⁶ which was filed by the Kobayashi Group in support of the Appointment Order;
 - b. information provided to the Receiver by Gardiner Roberts LLP, who is LawPro appointed counsel to Parminder Hundal also known as Pam Hundal (“**Ms. Hundal**”) of the law firm Parminder Hundal Law Professional Corporation (“**Hundal Law**”), the lawyer who took instruction from Mr. Pilehver in connection with the sale of the LV IV Property and subsequent distribution of the sale proceeds;
 - c. information provided, and/or which has not been provided despite the Receiver’s requests, by Mr. Pilehver and his legal counsel in the Receivership Proceedings, Blaney McMurtry LLP;⁷ and
 - d. materials filed in the Hamilton Proceedings, including Mr. Pilehver’s affidavit affirmed January 20, 2025 (the “**Pilehver Affidavit**”) and affidavits sworn by a former principal of the Land Banking Enterprise named Randy Hoffner (“**Mr. Hoffner**”) (collectively, the “**Information**”).

⁶ The Kobayashi Group’s Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available on the Receiver’s Case Website [here](#).

⁷ Blaney McMurtry LLP represents Mr. Pilehver, TGP Canada (defined below) and Paybank (defined below) in the Receivership Proceedings.

12. The Receiver has not made inquiries with Ms. Nali or Nali and Associates in order to ascertain why Ms. Nali and Nali and Associates received sale proceeds of the LV IV Property totalling \$898,659.49.
13. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
14. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on LV IV's financial information should perform its own diligence.

2.0 Background to the Land Banking Enterprise, the Receivership Proceedings and the Improper Sale of the LV IV Property

2.1 Background to the Land Banking Enterprise and Mr. Pilehver's Involvement

15. The Nominee Respondents are part of a land banking investment enterprise (the "**Land Banking Enterprise**") in which approximately 3,000-3,500 investors (the "**Co-Owners**") invested funds in certain land banking projects based in Ontario since around 2009, with the principal of such investments totalling approximately USD \$161,000,000.
16. The Receiver understands that the Co-Owners are largely comprised of individual investors based in Hong Kong, Japan, Taiwan, Malaysia, Philippines, China and Singapore. The investments made by the Co-Owners were used to finance the acquisition of real estate within the Land Banking Enterprise in Ontario.
17. The Nominee Respondents, including LV IV, were in turn formed to hold title to the various pieces of real estate, including the LV IV Property, as nominees and bare trustees for the Co-Owners.
18. At the time of the Receiver's appointment, Mr. Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President. The corporate profile report for LV IV is appended hereto as **Appendix "B"**.
19. As will be discussed further in Section 4.8 below, in addition to being the director and officer of Nominee Respondents including LV IV, Mr. Pilehver is also a director and principal of other entities involved in the Land Banking Enterprise, including:
 - a. the director, President and principal of TGP Canada Management Inc. ("**TGP Canada**"), an Ontario corporation and an intermediate parent company within the Land Banking Enterprise. The corporate profile report for TGP Canada is appended hereto as **Appendix "C"**; and

- b. the director and principal of 2630306 Ontario Inc. o/a Paybank Financial (“**Paybank**”), an Ontario corporation. The Receiver understands that Paybank acquired TGP Canada in or around June 2024. The corporate profile report for Paybank is appended hereto as **Appendix “D”**. Paybank’s website describes the company as specializing in construction and mortgage financing. An individual by the name of Behzad Pilehver is listed as the President. A copy of the relevant excerpts from Paybank’s website is attached as **Appendix “E”**.
- 20. The Receiver understands that in or around March 2018, Mr. Hoffner and his wife Paula Hoffner (“**Ms. Hoffner**”) acquired the Land Banking Enterprise through various corporate entities, including Trans Global Partners Limited⁸ (“**Trans Global**”).
- 21. The Receiver understands that in or around June 2024, various persons and entities including Trans Global, TGP Canada, Paybank and an entity named First Global Financial Corp. (“**First Global**”) appear to have entered into a series of transactions pursuant to which Trans Global sold the Land Banking Enterprise to First Global and Paybank (referred to herein as the “**Enterprise Transaction**”).
- 22. The Enterprise Transaction is addressed in Section 2.5 below.
- 23. A simplified organizational chart depicting the corporate structure of the Land Banking Enterprise prior to the Enterprise Transaction is attached as **Appendix “F”**.⁹
- 24. As is detailed in this Report, prior to and at the time of the Receiver’s appointment, the various parties to the Enterprise Transaction were embroiled in disputes concerning and arising from the Enterprise Transaction which are the subject of the Hamilton Proceedings discussed in Section 3.0 below.

2.2 The Nature of the Co-Owners’ Investments in the Land Banking Enterprise

- 25. The Application Record¹⁰ filed by the Kobayashi Group in support of the Appointment Order explains how the Co-Owners’ investments in the Land Banking Enterprise were made, which is summarized below.
- 26. Various companies within the Land Banking Enterprise, including the Nominee Respondents, were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees. The investments made by Co-Owners, including the Kobayashi Group, were used to finance the acquisition of such real estate.
- 27. The Co-Owners’ investment in the Land Banking Enterprise was generally effected through agreements of purchase and sale (“**sale agreements**”) between the Co-Owner, as purchaser, a Nominee Respondent, as nominee, and a Vendor (as defined in the Appointment Order), as vendor. Attached as a schedule to the sale agreements were co-owner agreements (the “**Co-Owner Agreements**”), which section 20.1 of the sale agreements states form an integral part of the sale agreement.

⁸ Also known as Trans Global Partners HK Limited or Trans Global Partners Limited (H.K.).

⁹ This organizational chart is from the Affidavit of Mr. Hoffner sworn on October 18, 2024 (referred to later herein as the “**First Hoffner Affidavit**”), as filed in the Hamilton Proceedings.

¹⁰ The Kobayashi Group’s Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available [here](#).

28. The Kobayashi Group claims to have invested the aggregate amount of \$3.7 million to acquire an approximately 72% undivided beneficial interest in the LV IV Property. This interest was acquired pursuant to four sale agreements among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and the Receivership Respondent, TSI-LV IV International Canada Inc., as vendor. Pursuant to the sale agreements:
- a. LV IV, as nominee, holds the registered title to the LV IV Property to the extent of the purchaser's interest as nominee and bare trustee for the purchaser and others to the extent of their respective undivided interests in the LV IV Property; and
 - b. LV IV agreed to execute and deliver to the purchaser a declaration of trust (the **"Declaration of Trust"**) wherein it will confirm that it is holding the title to the LV IV Property for and on behalf of the purchaser to the extent of its interest.¹¹

Copies of the LV IV sale agreements with the attached Co-Owner Agreements and Declarations of Trust, as filed by the Kobayashi Group in the Receivership Proceedings, are attached hereto as **Appendix "G"**.

29. Pursuant to section 13.2 of the sale agreements, the Co-Owner Agreements govern, amongst other things noted in s. 13.2: (i) the rights and obligations of the purchasers, as owner; (ii) any future sale of the LV IV Property; (iii) procedures for consents and approvals by the Co-Owners; and (iv) the obligation of LV IV as nominee and as the registered holder of the title to the LV IV Property for and on behalf of the Co-Owners. Using the Kobayashi Group's investment in the LV IV Property as an example, under the terms of the applicable Co-Owner Agreements:
- a. the Operator (as defined in the Appointment Order), being LV IV Capital Management Inc.¹², can only sell all or any part of the Property if an Ordinary Resolution is passed by the Co-Owners, being a resolution signed by Co-Owners holding, in the aggregate, not less than 51% of the interests in the property (section 8(a));
 - b. the Operator is to distribute the Net Income from the financing, refinancing and sale of the Property to Co-Owners, meaning the gross receipts minus the aggregate of all proper expenses and charges incurred in connection therewith as specified and listed in section 6(j) of the Co-Owner Agreements (section 6(j));
 - c. a separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner (section 14); and
 - d. any offer to purchase the Property is to be presented to all Co-Owners for consideration (section 19).

¹¹ See section 11.1 and 11.3 of the sale agreements concerning Nominee as Bare Trustee; Declaration of Trust.

¹² LV IV Capital Management Inc. is also a Respondent in the Receivership Proceedings.

30. As a result of concerns regarding, amongst other things, the alleged improper transfer and sale of certain real estate subject to the Land Banking Enterprise without the requisite notice to and consent from the Co-Owners, the Kobayashi Group commenced the Receivership Application to appoint KSV as Receiver of the Respondents, including LV IV.

2.3 The Receivership Proceedings

31. As indicated, the Kobayashi Group became concerned over, amongst other things, the alleged improper: (i) sale of real estate from the Land Banking Enterprise, including the sale of the LV IV Property effected by Mr. Pilehver, which was done without notice to or the approval of the requisite percentage of Co-Owners; and (ii) distribution of sale proceeds without the knowledge or approval of the Co-Owners.
32. Given the concern of the Kobayashi Group with the Receivership Respondents and their present and former principals' conduct, alleged breaches of the underlying investment documents¹³, the Kobayashi Group's substantial ownership interests in certain of the properties subject of the Land Banking Enterprise, the deadlock created by, and material omissions in, the Hamilton Proceedings, and the number of properties, creditors, and Co-Owners involved, the Kobayashi Group initiated the Receivership Proceedings with a view to hand control over to the Receiver and secure the underlying collateral, including certain of the Land Banking Enterprise real estate and proceeds thereof.
33. The Receivership Application was unopposed, including by Mr. Pilehver, and the Court granted the Appointment Order on March 6, 2025 appointing KSV as Receiver.
34. In support of the Receivership Application, the Kobayashi Group relied upon an extensive affidavit sworn by Akiko Kobayashi (the "**Kobayashi Affidavit**"), as well as an affidavit sworn by Lorraine Klemens (the "**Klemens Affidavit**").¹⁴ The Kobayashi Affidavit and the Klemens Affidavit are attached hereto, without exhibits, at **Appendix "H"** and **Appendix "I"**, respectively.

2.4 The Notice of the Pending Receivership Proceedings Provided to Mr. Pilehver

35. With respect to the notice provided to Mr. Pilehver and his lawyers concerning the pending Receivership Proceedings and the interest of the Kobayashi Group in the LV IV Property, the Klemens Affidavit set out, among other things, that:
- a. TGP Canada was represented by Gowling WLG (Canada) LLP ("**Gowling**") in the Hamilton Proceedings (discussed in Section 3.0 below);

¹³ The underlying investment documentation governing the Co-Owners' investment in the Land Banking Enterprise is comprised of sale agreements and attached co-owner agreements, discussed, in the case of the Kobayashi Group's investment in LV IV, in paragraph 28 above.

¹⁴ The Kobayashi Group's Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available [here](#).

- b. well before the closing of the sale of the LV IV Property, by letter dated November 18, 2024, Bennett Jones LLP (the “**Kobayashi Group’s counsel**”), as counsel to the Kobayashi Group, wrote to Gowling to raise certain concerns over the relief being sought in the Hamilton Proceedings and the closing of transactions involving certain real property owned by the Nominee Respondents. In its letter, the Kobayashi Group’s counsel further advised, among other things, that the Kobayashi Group is invested in the LV IV Property. A copy of this letter, which is contained at Exhibit HHH to the Pilehver Affidavit, is attached as **Appendix “J”**;
- c. on February 7, 2025, Kobayashi Group’s counsel served its Notice of Application in the Receivership Proceedings on Mr. Pilehver’s known lawyers, being Gowling and Ms. Hundal (pam@hundallaw.ca), which correspondence is appended hereto as **Appendix “K”**;
- d. on February 21, 2025, Gowling advised the Kobayashi Group’s counsel that Gowling does not act for TGP Canada or its affiliates, and that Mr. Pilehver has advised Gowling that he has retained alternative counsel. Gowling copied Mr. Pilehver (ben@sandgecko.ca) on its email, which is attached as **Appendix “L”**;
- e. on February 21, 2025, the Kobayashi Group’s counsel sent correspondence to Ms. Hundal, which is attached as **Appendix “M”**. This correspondence reflected the Kobayashi Group’s counsel’s understanding that Ms. Hundal acted as counsel to Mr. Pilehver and LV IV in connection with the sale of the LV IV Property, and that:
 - i. the required consent to sell the LV IV Property was not obtained from the Kobayashi Group by Ms. Hundal, Mr. Pilehver or LV IV;
 - ii. the sale of the LV IV Property was further constrained by a court order¹⁵ issued in October 2024 in the Hamilton Proceedings of which Mr. Pilehver was aware; and
 - iii. the sale of the LV IV Property closed on or around February 5, 2025 and that Ms. Hundal’s firm received \$1,899,528.20 (the “**Sale Proceeds**”) of the proceeds of sale. Kobayashi Group’s counsel requested confirmation that Ms. Hundal’s firm still held the Sale Proceeds, and advised that pursuant to the October 31, 2024 Injunction Order, she is restrained from dealing with, assigning or transferring such Sale Proceeds. An out of office alert was received from Ms. Hundal, attached as **Appendix “N”**, indicating she was on medical leave and would be accessing emails periodically.
- f. On February 22, 2025, the Kobayashi Group’s counsel sent an email to Mr. Pilehver directly, which correspondence is attached as **Appendix “O”**, to indicate, among other things, that:
 - i. neither Mr. Pilehver nor anyone on behalf of LV IV sought to obtain the consent of the Kobayashi Group to sell the LV IV Property, despite the Kobayashi Group holding a 370/512th (approximately 72%) undivided beneficial interest in the LV IV Property;

¹⁵ The October 31, 2024 Injunction Order issued in the Hamilton Proceedings is discussed further in Section 3.0 below.

- ii. the sale of the LV IV Property was constrained by the October 31, 2024 Injunction Order of which Mr. Pilehver was aware;
 - iii. Ms. Hundal has failed or refused to respond to the Kobayashi Group's counsel's communications. The Kobayashi Group's counsel set out its understanding that Ms. Hundal is employed as General Counsel and Managing Partner at Rozhina Development Group, an organization in which Mr. Pilehver holds the position of Vice President. The "Meet our Team" section of the Rozhina Development Group website which lists Mr. Pilehver as "Vice President / Partner" and which lists Ms. Hundal as "General Counsel / Managing Partner" was appended at Exhibit EE of the Klemens Affidavit and is attached hereto as **Appendix "P"**. A copy of the corporate profile report for Rozhina Development is attached as **Appendix "Q"**;
 - iv. pursuant to the October 31, 2024 Injunction Order, Mr. Pilehver is restrained from dealing with, assigning or transferring the Sale Proceeds. The Kobayashi Group's counsel indicated that it requires Mr. Pilehver to instruct Ms. Hundal and/or any other individuals/entities that have come into possession of the funds to refrain from transferring, dissipating or otherwise dealing with the funds, pending further Order of the Ontario Superior Court of Justice;
 - v. the Kobayashi Group's counsel required that Mr. Pilehver "**immediately confirm by reply email that Ms. Hundal still has the Sale Proceeds in her firm's possession [and] that neither you nor Ms. Hundal (or any individuals or entities acting on your behalf, directly or indirectly) will not disburse the Sale Proceeds to any party, subject to further order of the Ontario Superior Court of Justice**";
 - g. in response to the Kobayashi Group's counsel's February 22nd correspondence, a read receipt was sent by Mr. Pilehver which is attached hereto as **Appendix "R"**). However, the Receiver understands that he did not otherwise provide the confirmation requested by the Kobayashi Group's counsel; and
 - h. on February 27, 2025, Ms. Hundal sent an email to the Kobayashi Group's counsel and others to indicate she is not retained by anyone in relation to the proposed Receivership Proceedings, which correspondence is attached hereto as **Appendix "S"**.
36. Based on the certificate of service filed by the Kobayashi Group's counsel, Mr. Pilehver and Ms. Hundal were served with the Application Record in support of the Appointment Order on February 28, 2025. A copy of this certificate of service is attached hereto as **Appendix "T"**.
37. As indicated above, the application to appoint the Receiver was unopposed, including by Mr. Pilehver, and the Appointment Order was issued by the Court on March 6, 2025.

38. As detailed below, as a result of the Appointment Order, and the *Norwich* Order obtained therein, the Receiver has learned that the Sale Proceeds were improperly disbursed by Ms. Hundal's firm at the direction of Mr. Pilehver.

2.5 The Enterprise Transaction

39. As reflected in the simplified organizational chart previously appended at Appendix "F", the Receiver understands that each of the Nominee Respondents, including LV IV, are special or single purpose corporations owned by Land Mutual Inc. through various holding companies. Land Mutual Inc. was also owned by TGP Canada, Titan Shield Inc. and ultimately by Trans Global. The profile reports for Land Mutual Inc., Titan Shield Inc. and Trans Global are attached hereto as **Appendix "U"**, **Appendix "V"** and **Appendix "W"**, respectively.
40. The Receiver understands that in or around June 2024, the interests in the Land Banking Enterprise were sold by Trans Global to First Global and Paybank pursuant to a series of transactions, collectively defined herein as the **"Enterprise Transaction"**. A corporate profile report for First Global is appended hereto as **Appendix "X"**, which reflects that Elena Salvatore (**"Ms. Salvatore"**) is the sole director and President of First Global.
41. Based on the Application Record filed by the Kobayashi Group in the Receivership Proceedings, the Receiver understands that through these transactions, First Global was to become an indirect owner of the Receivership Proceeding Respondents. Further, First Global, along with Paybank, were to, amongst other things, assume certain existing investor/ownership agreements.
42. The details of the Enterprise Transaction are addressed in the Kobayashi Affidavit, as well as by both Mr. Pilehver and Mr. Hoffner in affidavits which they each filed in the Hamilton Proceedings¹⁶ prior to the commencement of the Receivership Proceedings.
43. The Pilehver Affidavit is attached without exhibits as **Appendix "Y"**.
44. Affidavits of Randy Hoffner sworn October 18, 2024 (the **"First Hoffner Affidavit"**) and November 12, 2024 (the **"Fourth Hoffner Affidavit"**), as filed in the Hamilton Proceedings, are attached without exhibits as **Appendix "Z"** and **Appendix "AA"**, respectively.¹⁷
45. Based on the Receiver's review of the Information, the Receiver understands that the Enterprise Transaction can be summarized as follows:
- a. Trans Global, through TGP Canada, sold to First Global all of the shares of Titan Shield for a purchase price of \$10,000 (the **"Titan Shield SPA"**). According to Mr. Pilehver, the intent was for First Global to assume and comply with all existing investor and co-owner agreements involving Titan Shield. A copy of the Titan Shield SPA dated June 4, 2024, which is contained at Exhibit "QQ" to the Pilehver Affidavit, is attached hereto as **Appendix "BB"**;

¹⁶ The Hamilton Proceedings are discussed in greater detail in Section 3.0 below.

¹⁷ Mr. Hoffner also swore two affidavits in the Hamilton Proceedings on October 24, 2024 in support of a motion to add Danny Iandoli, Evangelista Tolfa, and Balwinder Cheema as personal respondents, as well as a supplemental affidavit in support of the application proper.

- b. Trans Global sold the shares of TGP Canada to Paybank for a purchase price of \$10,000. A copy of this share purchase agreement dated June 4, 2024 (the “**Trans Global SPA**”), which is contained at Exhibit “RR” to the Pilehver Affidavit, is attached hereto as **Appendix “CC”**;
- c. Ms. Hoffner sold the shares of TGP Property Management Inc. (“**TGP Property**”), an Ontario corporation, to First Global. A copy of this share purchase agreement dated June 4, 2024 (the “**TGP Property SPA**”), attached as Exhibit “011” to the First Hoffner Affidavit, is attached hereto as **Appendix “DD”**. Pursuant to the TGP Property SPA, First Global acquired all of the shares in the capital of TGP Property for a purchase price of \$1.5 million payable by way of a promissory note due on or before June 11, 2024. A corporate profile report for TGP Property is attached hereto as **Appendix “EE”**;
- d. Mr. Hoffner sold the shares of 1837732 Ontario Limited (“**183 Ontario**”), an Ontario corporation, to First Global. A copy of this share purchase agreement dated June 4, 2024 (the “**183 Ontario SPA**”), attached as Exhibit “013” to the First Hoffner Affidavit, is attached hereto as **Appendix “FF”**. Pursuant to the 183 Ontario SPA, First Global acquired all of the shares in the capital of 183 Ontario for a purchase price of \$1.5 million payable by way of a promissory note due on or before August 3, 2024. A corporate profile report for 183 Ontario is attached hereto as **Appendix “GG”**;
- e. First Global issued promissory notes to Trans Global, Mr. Hoffner and Ms. Hoffner. Copies of these promissory notes (the “**Promissory Notes**”), which are contained at Exhibit “WW” to the Pilehver Affidavit, are attached hereto as **Appendix “HH”**. While not contemplated as a portion of the purchase price under the Titan Shield SPA or the Trans Global SPA, one of these Promissory Notes was issued in favour of Trans Global in the principal amount of \$7 million, which was due on or before August 3, 2024;
- f. As general and continuing collateral security for the payment of First Global’s obligations under the Promissory Notes, First Global pledged to Trans Global, Mr. Hoffner and Ms. Hoffner the shares in Titan Shield. A copy of the Share Pledge Agreement dated June 4, 2024 (the “**Share Pledge Agreement**”), which is contained at Exhibit “XX” to the Pilehver Affidavit, is attached as **Appendix “II”**;
- g. By way of an assignment and transfer of rights agreement, Trans Global purportedly assigned and transferred to TGP Canada the rights and powers related to the co-owner agreements operated by the assignor. A copy of this agreement, which is contained at Exhibit “SS” to the Pilehver Affidavit, is attached hereto as **Appendix “JJ”**;
- h. Paybank provided a guarantee to Trans Global to repay the beneficial owners up to a total amount of \$100,000,000 of their investments over the course of 36 months following the closing of these transactions. A copy of this guarantee, which is contained at Exhibit “TT” to the Pilehver Affidavit, is attached hereto as **Appendix “KK”**;

- i. Paybank and First Global provided an indemnity to Trans Global in connection with any claims arising out of certain transactions, including the purchase of TGP Canada. A copy of this indemnity, which is contained at Exhibit “UU” to the Pilehver Affidavit, is attached hereto as **Appendix “LL”**; and
 - j. Paybank and First Global also provided Trans Global with a release in connection with these series of transactions. A copy of this release, which is contained at Exhibit “VV” to the Pilehver Affidavit, is attached hereto as **Appendix “MM”**.
46. The Receiver is not able to opine on the various transactions and agreements which comprise the Enterprise Transaction, or the validity of them, given the scarcity and incompleteness of the books and records available to the Receiver. In this regard, the Receiver has observed conflicting and/or incomplete Information concerning what transactions and agreements comprise the Enterprise Transaction. For example:
- a. a document entitled “Timeline of Events FGFC – TGP – Marie Prepared for RECO (1)” was contained amongst the documentation provided by Mr. Pilehver on a hard drive delivered to the Receiver on April 26, 2025. This Timeline, attached as **Appendix “NN”**, purports to set out various events and transactions during the period June 4, 2024 to in or around October 5, 2024. The Receiver is unaware of who authored the Timeline, which purports to set out details of alleged wrongdoing by First Global and its principals, and purported efforts by TGP Canada to focus on recovering investor funds; and
 - b. neither the Pilehver Affidavit, nor the affidavits filed by Mr. Hoffner in the Hamilton Proceedings, make any mention of agreements allegedly entered into in September 2024. However, in correspondence sent by Mr. Pilehver to Mr. Hoffner’s counsel in the Hamilton Proceedings, and in the files sent by Mr. Pilehver to the Receiver in April 2025, Mr. Pilehver makes reference to:
 - i. a share purchase agreement dated September 12, 2024 (the “**LV IV-TGP Canada SPA**”), pursuant to which TGP Canada, represented by Mr. Pilehver, was to purportedly purchase the shares of LV IV from Mr. Hoffner upon payment by TGP Canada on or before the end of September 2024 of an outstanding mortgage on the LV IV Property valued at \$700,690.41 as detailed in Schedule “A” of the share purchase agreement.¹⁸ Section 2.2 of the LV IV-TGP Canada SPA indicates that upon full payment of the mortgage, Mr. Hoffner would execute all necessary documents to transfer the legal and beneficial title of the LV IV Property to TGP Canada. Based on the Receiver’s review of the Information, a transfer of beneficial title would contradict the nature of this trust property as set out in the sale agreements and Co-Owner Agreements. A copy of the LV IV-TGP Canada SPA, as provided by Mr. Pilehver to the Receiver, is attached as **Appendix “OO”**;

¹⁸ The version of this share purchase agreement provided by Mr. Pilehver to the Receiver is missing Schedule “A”.

- ii. the LV IV-TGP Canada SPA was signed electronically on September 12, 2024. A DocuSign signature summary page provided by Mr. Pilehver to the Receiver, attached as **Appendix “PP”**, indicates the signatures were digitally signed by individuals using email addresses known by the Receiver to be associated with both Mr. Hoffner and Mr. Pilehver;
 - iii. pursuant to a promissory note dated September 12, 2024 (the “**TGP Canada-Hoffner Promissory Note**”) which appears to be signed by Mr. Pilehver on behalf of TGP Canada and by Mr. Hoffner personally, TGP Canada agreed to assume and pay “the outstanding mortgages in the name of Pauline Hoffner and Randy Hoffner” related to the LV IV Property with an approximate amount of \$700,690.41. The TGP Canada-Hoffner Promissory Note states that this note was issued as part of the LV IV-TGP Canada SPA. The payee is described as “Randy Hoffner (payable to Olympia Trust Company)” and the payor is “TGP Canada Management Inc.”. A copy of the TGP Canada-Hoffner Promissory Note is attached as **Appendix “QQ”**; and
 - iv. pursuant to a promissory note dated September 12, 2024 (the “**TSI International-TGP Canada Promissory Note**”), TSI International Canada Inc. (“**TSI**”), represented by Mr. Hoffner, and TGP Canada, represented by Mr. Pilehver, agreed that TSI would transfer all outstanding shares of TSI to TGP Canada, and that the property municipally known as 9063 Twiss Road, Milton, Ontario (the “**Twiss Road Property**”) would be transferred by Mr. Hoffner to TSI on closing, upon TGP Canada paying out the existing mortgage on the Twiss Road Property, valued at \$1,249,369.42, payable to CIBC, by September 30, 2024. The TSI International-TGP Canada Promissory Note is attached as **Appendix “OOOO”**. A current parcel abstract for the Twiss Road Property is attached as **Appendix “PPPP”**. It appears the transaction contemplated by the TSI International-TGP Canada Promissory Note did not proceed, as the Twiss Road Property remains registered in Mr. Hoffner's name and the CIBC charge remains on title.
47. As set out in Section 4.3 and Section 4.4 below, the Receiver learned of an Olympia Trust Charge registered against the LV IV Property. The Olympia Trust Charge was discharged as against the LV IV Property by Hundal Law on February 5, 2025 after Olympia Trust Company was paid \$731,331.20 of the LV IV Property Sale Proceeds by Hundal Law.
48. As set out in Section 4.5 below, Ms. Hundal claims to have taken direction from Mr. Pilehver with respect to the LV IV Property sale and with respect to Hundal Law's distribution of the Sale Proceeds.

3.0 The Hamilton Proceedings

49. As noted above, in October 2024, several of the parties to the Enterprise Transaction became embroiled in litigation arising from the Enterprise Transaction. Such proceedings are referred to herein as the “**Hamilton Proceedings**”.
50. Specifically, Trans Global, Mr. Hoffner and Ms. Hoffner (collectively, the “**Hamilton Applicants**”) brought an application as against First Global, Ms. Salvatore, Vincent Salvatore and Tiberis Capital Corp. (collectively, the “**Hamilton Respondents**”), bearing Court File No. CV-24-00087580-0000 (the “**Hamilton Proceedings**”). The style of cause was subsequently amended to add Danny Landoli as a respondent.
51. In the Hamilton Proceedings, the Hamilton Applicants allege, among other things, that First Global’s failure to pay the monies owing under the Promissory Notes is in breach of the terms of the Trans Global SPA and constituted an Event of Default under the Share Pledge Agreement.
52. The application in the Hamilton Proceedings was returnable on October 31, 2024, at which time, the Hamilton Applicants sought certain Orders, including:
 - a. an order approving certain agreements of purchase and sale entered into by certain Nominee Respondents to sell property within the Land Banking Enterprise. Those agreements did not concern LV IV or the LV IV Property;¹⁹
 - b. an order requiring the proceeds of sale to be paid to the Hamilton Applicants’ lawyers, Simpson Wigle LLP, whether in trust or into court; and
 - c. an interim and interlocutory order in the form of a *Mareva* injunction restraining the Hamilton Respondents, and any and all persons with notice of the Order sought, from directly or indirectly selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with the assets of any companies which they came to control pursuant to the Enterprise Transaction, including any funds received with respect to same (the “**Hamilton Mareva Relief**”).
53. According to Mr. Hoffner’s Fourth Affidavit:
 - a. on October 30, 2024, the Hamilton Applicants’ lawyer: (i) spoke with Ms. Hundal, real estate counsel for Mr. Pilehver, and advised her of the Hamilton Application and the October 31, 2024 return date; and (ii) sent all of the materials filed in the Hamilton Proceedings to Ms. Hundal.²⁰ Neither Mr. Pilehver, nor TGP Canada or Paybank, are parties to the Hamilton Proceedings;

¹⁹ The Nominee Respondents being Talbot Crossing Inc., London Valley II Inc., and London Valley V. Inc. The subject properties were ultimately sold by the Receiver, pursuant to certain Approval and Vesting Orders issued by the Honourable Justice Kimmel in the Receivership Proceedings on May 29, 2025. The endorsement of Justice Kimmel in this regard is available on the Receiver’s Case Website [here](#).

²⁰ Fourth Hoffner Affidavit, paragraph 31.

- b. on October 31, 2024, while the parties to the Hamilton Proceedings were attending the Zoom hearing of the Hamilton Application, Mr. Pilehver sent an email to the Hamilton Applicants' counsel advising that he was currently in the process of retaining Gowling with respect to the matter and requested a three-week adjournment. Mr. Pilehver also made certain comments in his October 31, 2024 email regarding the dispute between the parties, and his position with respect to same, including his position that TGP Canada and Paybank had dedicated considerable efforts over the past four months to cooperate closely with the Hamilton Applicants "*to prevent further unauthorized actions by [First Global] and Salvatore*". Mr. Pilehver's October 31, 2024 email (sent from ben@sandgecko.ca) and enclosures, which is attached as Exhibit "010" to the Fourth Hoffner Affidavit, is appended hereto as **Appendix "RR"**;
 - c. on October 31, 2024, the parties to the Hamilton Proceedings as well as Mr. Pilehver consented to an Order, which was issued by the Honourable Justice MacNeil dated October 31, 2024 (the "**October 31, 2024 Injunction Order**"). The October 31, 2024 Injunction Order, which includes the Hamilton Mareva Relief at paragraph 5 thereof, is attached hereto as **Appendix "SS"**;
 - d. on November 4, 2024, Mr. Pilehver sent an email to various parties which included a link to a document which he indicated not only outlined his concerns but which he intended to present to the court ("**Mr. Pilehver's Submissions**"). The link was to a 969 page document of which 7 pages outline Mr. Pilehver's position, including that the Application submitted to the court by the Hamilton Applicants "*is factually incorrect, misleading, and reflects a misunderstanding of the underlying agreements*" and "*is an abuse of legal process*". In these first 7 pages of Mr. Pilehver's Submissions, Mr. Pilehver also makes reference to other alleged agreements, including a Share Purchase Agreement dated September 12, 2024 between LV IV and TGP Canada.²¹ These first 7 pages of Mr. Pilehver's Submissions, which are contained at Exhibit '015" to the Fourth Hoffner Affidavit, are attached hereto as **Appendix "TT"**; and
 - e. the Hamilton Applicants intend to provide a response to the contents of Mr. Pilehver's Submissions should he ever file materials in this matter.
54. Pursuant to the October 31, 2024 Injunction Order, the Hamilton Application was adjourned to November 19, 2024.
55. Pursuant to an endorsement issued in the Hamilton Proceedings on November 19, 2024, attached as **Appendix "UU"**, the Honourable Justice Sheard confirmed that paragraph 5 (the Hamilton Mareva Relief) of the October 31, 2024 Injunction Order remained in effect, and adjourned the application to December 5, 2024 for the purposes of setting a timetable for: (i) Mr. Pilehver and/or TGP Canada to bring a motion to seek intervenor status; and (ii) the hearing of all remaining issues in the application.

²¹ The Receiver understands this September 12, 2024 share purchase agreement to be a reference to the LV IV-TGP Canada SPA which is discussed by the Receiver in paragraph 46.b.i. above. While Mr. Pilehver referenced the LV IV-TGP Canada SPA in Mr. Pilehver's Submissions of November 4, 2024, he does not reference the LV IV-TGP Canada SPA in the Pilehver Affidavit which he later affirmed in the Hamilton Proceedings on January 20, 2025 as part of TGP Canada's motion to intervene in the Hamilton Proceedings.

56. On December 5, 2024, the Honourable Justice Bordin approved a timetable for TGP Canada to bring a motion for intervenor status in the week of March 24, 2025. A copy of the December 5, 2024 Order is attached hereto as **Appendix “VV”**.
57. TGP Canada, who at the time was represented by Gowling, served a motion record dated January 20, 2025 in support of TGP Canada’s motion to intervene in the Hamilton Proceedings on behalf of the Co-Owners of certain of the Nominee Respondents and other entities in the Land Banking Enterprise. In support of the intervenor motion, TGP Canada’s motion record included the Pilehver Affidavit. The Receiver understands that no parties filed responding materials in response to TGP Canada’s motion to intervene.
58. In describing the Enterprise Transaction, Mr. Pilehver testifies in the Pilehver Affidavit that Trans Global sold its ownership of the Land Banking Enterprise in 2024 to Mr. Pilehver’s company, Paybank, and to First Global. Mr. Pilehver further testifies in the Pilehver Affidavit that the parties to the Hamilton Proceedings were engaging in dealings in respect of certain properties which are the subject of the Land Banking Enterprise, apparently for the purpose of settling their private debts, all without notice to or consent from the beneficial owners (the underlying Co-Owners). Mr. Pilehver testified that TGP Canada *“seeks to intervene in [the Hamilton Proceedings] to protect the interests of hundreds of individual investors whose savings and investments financed the acquisition of the Properties”*.
59. In Mr. Pilehver’s affidavit, he further explains that as principal of TGP Canada, he has been making efforts to engage with investors in the Land Banking Enterprise, including setting up a townhall and a website, with the domain name <https://trans-globalpart.com> (the **“TGP Website”**). Further, he indicated that TGP Canada had prepared consent forms for thousands of beneficial owners (Co-Owners), and that he had obtained the consent of 628 investors across multiple properties.²²
60. Based on the Receiver’s review of the TGP Website, there are various updates posted to investors. This includes a letter dated August 13, 2024, addressed to Elena Salvatore, First Global and Vincent Salvatore. The letter is from Ben Pilehver and Paybank on behalf of investors in the Land Banking Enterprise, including LV IV, requesting that the recipients of the letter cease any ongoing transactions in relation to various companies. A copy of this letter is attached hereto as **Appendix “WW”**.
61. Mr. Pilehver’s affidavit conveys an urgency to ensure that the court in the Hamilton Proceedings was aware of the existence of the underlying investors who are the beneficial owners of the subject properties in the Land Banking Enterprise, so that such properties could not be sold or otherwise alienated by the parties to the Hamilton Proceedings to settle their private debts.
62. While the precise components of the Enterprise Transaction remain unclear, the concern for the underlying investors raised by Mr. Pilehver in the Pilehver Affidavit appears to be in stark contrast with Mr. Pilehver’s subsequent actions in effecting the sale and transfer of the LV IV Property, and directing the distribution of the Sale Proceeds to recipients who were not the Co-Owners of LV IV, and accordingly had no apparent entitlement to such Sale Proceeds.

²² See Pilehver Affidavit at para 78.

63. Despite having notice of the Hamilton Proceedings and the October 31, 2024 Injunction Order, Mr. Pilehver caused LV IV to sell the LV IV Property on February 5, 2025, without notice to, or the consent of, the Kobayashi Group, which owned approximately 72% of the undivided beneficial interest therein.
64. Ultimately, neither TGP Canada's intervenor motion, nor the application proper in the Hamilton Proceedings, proceeded. Gowling brought a motion to be removed as the lawyers of record for TGP Canada, and as reflected by an endorsement of the court issued in the Hamilton Proceedings on March 25, 2025 (the "**Removal Endorsement**"), Gowling was removed as the lawyers of record for TGP Canada in the Hamilton Proceedings. The Removal Endorsement is appended at **Appendix "XX"**.
65. Paragraph 13 of the Appointment Order provides that the Hamilton Proceedings are stayed against or in respect of the Receivership Respondents and the Property (as defined in the Appointment Order). Accordingly, the Receiver understands that the application in the Hamilton Proceedings has yet to be determined.

4.0 The Sale of the LV IV Property & Distribution of the Sale Proceeds

4.1 Tracing the LV IV Sale Proceeds: Pre-Receivership Efforts

66. Despite Mr. Pilehver's knowledge of the October 31, 2024 Injunction Order issued in the Hamilton Proceedings, and the position of the Kobayashi Group, he nevertheless caused the LV IV Property to be sold to Titan Lands Inc. for \$2 million on February 5, 2025. The Agreement of Purchase and Sale as executed by Mr. Pilehver on behalf of LV IV, as amended, is attached hereto at **Appendix "YY"**. A parcel abstract for the LV IV Property containing deleted instruments is attached hereto at **Appendix "ZZ"**.²³
67. The Kobayashi Group asserts that it did not consent to the sale nor did it receive any of the Sale Proceeds from the sale of the LV IV Property, contrary to sections 8(a), 6(j) and 19 of the applicable Co-Owner Agreements.
68. As detailed in Section 2.4 above, throughout the month of February 2025, to no avail, various correspondence was sent by the Kobayashi Group's counsel to Mr. Pilehver and to his lawyer, Ms. Hundal, who acted on the sale, in an effort to secure the Sale Proceeds and to advise of the pending Receivership Proceedings.
69. Prior to the Receiver's appointment, the Kobayashi Group's counsel wrote to The Toronto-Dominion Bank ("**TD Bank**") on February 21, 2025 noting, amongst other things, that the Kobayashi Group understood that Sale Proceeds paid on closing from the sale of the LV IV Property, totaling \$1,899,528.20, were transferred from the purchaser's lawyers, McKenzie Lake LLP, to a bank account at TD Bank in the name of Hundal Law (the "**Hundal Account**"). A copy of the Kobayashi Group's letter to TD, with the wire details and account number redacted, is attached as **Appendix "AAA"**.

²³ Following its appointment on March 15, 2025, the Receiver was provided with the Agreement of Purchase and Sale and Amendment by the realtor, Marie Canonaco, who represented LV IV in the sale. Ms. Canonaco advised the Receiver at that time that Mr. Pilehver was the contact for LV IV, as vendor, on the transaction, and that the vendor's lawyer was Ms. Hundal. It is unclear how the ultimate purchaser became Titan Lands Inc., as opposed to 2314503 Ontario Inc., the latter of whom is listed as the Buyer in the Agreement of Purchase and Sale and Amendment. The Receiver nevertheless understands from the purchaser's counsel, McKenzie Lake LLP, that these entities are related, and as such, the Receiver assumes that an assignment occurred and that the closing date was moved up to February 5, 2025.

70. Additionally, the Receiver understands that by letter dated February 25, 2025, the lawyers for the Hamilton Respondents, Brar Tamber Rigby Badham Litigation Lawyers (“**BTRB Lawyers**”), sent a letter to Mr. Pilehver, Ms. Hundal and the real estate broker representing LV IV on the LV IV Property sale transaction, alleging amongst other things, that Mr. Pilehver was falsely representing himself as the officer and director of LV IV. The letter further asserted that Mr. Pilehver did not have authority to control LV IV or any other company acquired by First Global from Trans Global. The letter requested that the sale proceeds of the LV IV Property be delivered to BTRB Lawyers in trust. A copy of this letter is attached hereto as **Appendix “BBB”**.

4.2 The Norwich Order and Hundal Law Account Statement Provided by TD Bank

71. The Appointment Order was subsequently issued on March 6, 2025. None of the parties to the Hamilton Proceedings, nor Mr. Pilehver, opposed the Appointment Order.
72. Paragraph 4(t) of the Appointment Order provides the Receiver with the power to trace and follow any proceeds of the real property previously owned by LV IV, including the LV IV Property enumerated in Schedule B to the Appointment Order.
73. Paragraphs 29 to 33 of the Appointment Order set out the Norwich Order issued by the Court. On March 12, 2025, in response to the Appointment Order, TD Bank provided the Receiver with a detailed account statement for the Hundal Account for the period February 5, 2025 (the closing date of the LV IV Property sale) through to March 10, 2025 (the “**Hundal Law Account Statement**”).
74. The Hundal Law Account Statement reflected, among other information, that:
- a. on February 5, 2025, the Sale Proceeds in the sum of \$1,899,510.70 were received in the Hundal Account from “Mckenzie Lake Lawyers LLP”, being the lawyers for the purchaser of the LV IV Property; and
 - b. on February 5, 2025, a payment was disbursed from the Hundal Account to “Olympia Trst company” in the amount of \$731,331.20.
75. Ultimately, as is detailed below, the Receiver was able to identify the disbursements of the Sale Proceeds made by Hundal Law, who claims to have distributed such funds at Mr. Pilehver’s direction:
- a. **Olympia Trust Charge:** On February 5, 2025, a payment was disbursed from the Hundal Account to “Olympia Trst company” in the amount of \$731,331.20 in order to discharge a collateral mortgage registered by Olympia Trust on the LV IV Property. The Receiver’s understanding is that there was no basis for this collateral charge to have been registered on the LV IV Property, and that it was placed on the LV IV Property as collateral for indebtedness owing by Mr. Hoffner, as is further discussed in Section 4.3 below;
 - b. **Payments to or for the benefit of the Defendants:** \$1,071,551.06 of the Sale Proceeds appear to have been improperly distributed to or for the benefit of Ms. Nali, Nali and Associates and Mr. Pilehver, through payments made to Ms. Nali, Nali and Associates and to the various law firms as detailed in Section 4.5 below;

- c. **Property Tax and Realtor Commissions:** \$87,801.19 was paid to a real estate brokerage and the City of London on account of property taxes and commission. The Receiver's view is that these amounts would have been properly payable had the LV IV Property been lawfully sold and not subject to the October 31, 2024 Injunction Order; and
- d. **Remaining Balance Remitted to the Receiver:** The remainder of the Sale Proceeds in the sum of \$8,844.75 (the "**Remaining Balance**") was wired by Hundal Law to the Receiver on May 21, 2025.

4.3 The Olympia Trust Charge

- 76. As further set out in the First Report²⁴ of the Receiver and the Second Report²⁵ of the Receiver, a collateral mortgage in favour of Olympia Trust Company in the amount of \$700,000 (the "**Olympia Charge**") was registered against each of:
 - a. the LV IV Property;
 - b. a property municipally known as 1264 Falgarwood Drive, Oakville (PIN 24888-0109) (the "**Falgarwood Property**"); and
 - c. a property municipally known as 601 Maplehurst Ave, Oakville, Ontario (PIN 24847-0084 (the "**Maplehurst Property**").
- 77. Mr. Hoffner previously owned the Falgarwood Property, which was sold in August 2024.
- 78. Mr. Hoffner also owned the Maplehurst Property until it was sold and transferred to an arm's length purchaser on May 30, 2025.
- 79. At the time of the registration of the Olympia Charge against each of these properties, Mr. Hoffner was a director of LV IV.
- 80. As described in the First Report, the Olympia Charge contained language indicating that it was a registered mortgage against the Maplehurst Property, and a collateral mortgage against the LV IV Property and the Falgarwood Property.
- 81. On June 27, 2025, the Receiver's counsel sent a request for information to Olympia Trust Company regarding the Olympia Trust Charge. On July 4, 2025, Olympia Trust Company responded, indicating that it was "a Registered Plans Trustee for our self-directed clients. As such, Olympia held the Mortgage in trust for our clients, the beneficial owners of the Mortgage." A copy of the foregoing correspondence is attached hereto as **Appendix "QQQQ"**.

²⁴ The First Report of the Receiver is available [here](#).

²⁵ The Second Report of the Receiver is available [here](#).

4.4 The Action Commenced by the Receiver Against Mr. Hoffner and the CPL Order Obtained by the Receiver Against the Maplehurst Property

82. As is detailed in the First Report and Second Report of the Receiver:

- a. the Receiver had reason to believe that \$731,331.20 (the “**Olympia Trust Payout**”) of the Sale Proceeds from the sale of the LV IV Property were used to discharge the Olympia Charge;
 - b. the Receiver made inquiries of Mr. Hoffner’s known counsel as well as Ms. Hundal’s LawPro counsel regarding the nature of the transactions in the Hundal account. Despite making such inquiries, the Receiver did not receive any evidence of any consideration or a valid business purpose for the LV IV Property to have been offered as collateral to secure the mortgage loan against the Maplehurst Property. Doing so was also in contravention of the Co-Owners Agreements governing the LV IV Property;
 - c. Given that the Maplehurst Property was listed by Mr. Hoffner for sale, the Receiver requested from Mr. Hoffner’s counsel that any sale proceeds be held in trust. As the Receiver did not receive any undertakings, the Receiver commenced an action against Mr. Hoffner on April 10, 2025 and brought an *ex parte* motion to register a certificate of pending litigation on title to the Maplehurst Property. Copies of the Notice of Action and Statement of Claim are attached as **Appendix “CCC”** and **Appendix “DDD”**, respectively; and
 - d. On April 10, 2025, the Honourable Justice Black granted the requested Order (the “**CPL Order**”) permitting the Receiver to register a certificate of pending litigation (the “**CPL**”) on title to the Maplehurst Property. A copy of the CPL Order, accompanying endorsement of Justice Black, and the CPL are attached as **Appendix “EEE”**, **Appendix “FFF”** and **Appendix “GGG”**, respectively.
83. In order to allow an arm’s length sale of the Maplehurst Property to proceed, the Receiver and Mr. Hoffner subsequently consented to an Order permitting alternative security to be paid by Mr. Hoffner in the sum of \$731,331.20 (the “**Alternative Security**”) from the proceeds of sale of the Maplehurst Property, in exchange for the discharge of the CPL. The Order of Justice Black issued May 15, 2025 (the “**Alternative Security Order**”) concerning this Alternative Security is appended hereto as **Appendix “HHH”**.
84. On May 30, 2025, the Receiver’s lawyers received the Alternative Security in trust in accordance with the Alternative Security Order. The CPL was discharged and the Maplehurst Property was transferred to an arm’s length purchaser on the same date.
85. By email sent to Mr. Hoffner on May 12, 2025, the Receiver provided Mr. Hoffner with both the Notice of Action and Statement of Claim, which was acknowledged by Mr. Hoffner. The Receiver made numerous attempts to arrange to personally serve Mr. Hoffner with the Notice of Action and Statement of Claim, however, Mr. Hoffner advised the Receiver that he was out of the country. On July 2, 2025, after Mr. Hoffner returned to Canada, the Receiver was able to effect personal service on him of the Notice of Action and Statement of Claim. Recent correspondence exchanged by the Receiver’s counsel with Mr. Hoffner and Ross & McBride LLP, the latter of whom

advised on July 29, 2025 that it has been retained by Mr. Hoffner in connection with the action, is attached as **Appendix “III”**.²⁶ As of today’s date, neither Mr. Hoffner, nor counsel on his behalf, has defended the action. The Receiver has provided Mr. Hoffner until August 1, 2025 to serve a Statement of Defence, after which time, default proceedings will be initiated.

4.5 The Receiver’s Efforts to Trace the Remainder of the Sale Proceeds

86. To investigate the whereabouts of the balance of the Sale Proceeds aside from the Olympia Trust Payout, the Receiver wrote to Gardiner Roberts LLP (“**Ms. Hundal’s LawPro counsel**”), who is Ms. Hundal’s counsel as appointed by LawPro. A letter dated March 12, 2025 to Ms. Hundal’s LawPro counsel is attached hereto as **Appendix “JJJ”** (with detailed account information redacted).
87. By email sent to the Receiver’s counsel on April 22, 2025, Ms. Hundal’s LawPro counsel:
- a. provided a copy of the Hundal Law Account Statement as highlighted by Ms. Hundal’s LawPro counsel to identify the transactions that relate to LV IV; and
 - b. Advised that there is a small amount, under \$10,000, remaining in trust for LV IV.

Ms. Hundal’s LawPro counsel’s April 22, 2025 email, with the attached highlighted Hundal Law Account Statement, is attached hereto as **Appendix “KKK”**. The items not highlighted by Ms. Hundal’s LawPro counsel have been redacted by the Receiver in accordance with paragraph 33(a) of the Appointment Order.

88. Following receipt of this information on April 22, 2025, the Receiver’s counsel asked Ms. Hundal’s LawPro counsel for details concerning the highlighted transactions, including any supporting documentation for them. The Receiver further requested that the remaining Sale Proceeds be wired in trust to the Receiver. Ms. Hundal’s LawPro counsel responded in two separate emails on April 23, 2025 to advise that:

“...my understanding is that Ms. Hundal was directed to send the proceeds to each of the payees by Mr. Pilehvar. The payees are all companies, whose contact information is public, with the exception of Ms. Nali, for whom my client does not have any contact information...”

“...Mr. Pilehvar would need to explain why he gave Ms. Hundal those directions...”

The foregoing email correspondence exchanged between the Receiver and Ms. Hundal’s LawPro counsel on April 22 and 23, 2025 is attached hereto as **Appendix “LLL”**.

²⁶ The Notice of Action and Statement of Claim, though attached to this email exchange, are not included in this Appendix as they are already attached as Appendix “CCC” and Appendix “DDD”.

89. On July 4, 2025, Ms. Hundal's LawPro counsel provided additional information and documentation to the Receiver by email (the "**July 4th Email**") concerning the distribution of the Sale Proceeds from the Hundal Account, which email is attached, without appendices, as **Appendix "MMM"**, given the appendices are addressed in the table immediately below.
90. Taken together, the information concerning how the LV IV Sale Proceeds were distributed by Hundal Law, as advised by Ms. Hundal's LawPro counsel on April 22, 2025 and July 4, 2025, is summarized in the following Table. The Appendix references refer to the applicable enclosure to Ms. Hundal's LawPro counsel's July 4th Email, and reflects two separate accounts associated with Ms. Nali, being account no. 1929-5023332 (per **Appendix "KKK"**) and account no. 1929-6177612 (per **Appendix "OOO"**):

Date	Trans Description	Amount	CR/ DR	To:	Encls. to July 4 th Email
02/05/2025	250205B6289400RPW	\$731,331.20	DR	Olympia Trst company - 9471715	Appendix "NNN"
02/06/2025	250206W7020100DR REV	\$817,859.49	CR	Mahtab Nali 1929- 5023332	Appendix "KKK" and Appendix "OOO" ²⁷
02/06/2025	250206W7020100RPW	\$817,859.49	DR	Mahtab Nali 1929- 5023332	Appendix "OOO"
02/14/2025	250214B2065300RPW	\$30,000	DR	Unik Credit mgmt. in trust	Appendix "PPP" ²⁸
03/05/2025	250305W3644600RPW	\$34,000	DR	Blaney McMurtry LLP Mixed Trust	Appendix "QQQ"
02/07/2025	CERTIFIED CHQ #03351	\$817,859.49	DR	To: Mahtab Nali 1929- 6177612	Appendix "OOO"
02/10/2025	CHQ#03350-4141552521	\$80,800	DR	Remax West Realty Inc. Brokerage	Appendix "RRR"
02/10/2025	RQ554 TFR-TO 5017322	\$58,000	DR	5017322 1140 – Hundal Law	Appendix "SSS" ²⁹
02/10/2025	SEND E-TFR ***BPW	\$5,000	DR	BALLY Hundal / bally@hundallawfirm. com	Appendix "PPP"

²⁷ With respect to the payments made to and from Ms. Nali, this Appendix contains the supporting documentation provided in the July 4th Email with respect to both the voided wire transfer on February 6, 2025, and the cheque which was deposited on February 7, 2025.

²⁸ With respect to the payments made to Unik Credit Mgmt and to Bally Hundal, this Appendix contains the supporting documentation provided in the July 4th Email, namely, a direction executed by Mr. Pilehver directing to make further cheques from the net proceeds of sale of the LV IV Property payable to Stockwoods LLP – Nader Hasan (\$30,000) and Bally Hundal Law Firm (\$5,000).

²⁹ With respect to all payments made to Hundal Law, this Appendix contains the supporting documentation provided in the July 4th Email. All redactions were done by Ms. Hundal's LawPro counsel. The supporting documentation provided in the July 4 Email only reflects invoices rendered by Hundal Law in the amount of \$37,855, many of which appear to be unrelated to LV IV, and despite Hundal Law having been paid \$103,040.42 of the Sale Proceeds.

02/12/2025	HI133 TFR-TO 5017322	\$5,000	DR	5017322 1140 – Hundal Law	Appendix “SSS”
02/18/2025	CERTIFIED CHQ #03354	\$80,800	DR	To: NALI AND ASSOCIATES	Appendix “TTT”
02/20/2025	IJ540 TFR-TO 5017322	\$30,000	DR	5017322 1140 - Hundal Law	Appendix “SSS”
02/28/2025	CHQ#03349-2144381989	\$7,001.19	DR	City of London	Appendix “UUU”
03/03/2025	RR042 TFR-TO 5017322	\$4,040	DR	5017322 1140 - Hundal Law	Appendix “SSS”
03/03/2025	RR101 TFR-TO 5017322	\$6,000.42	DR	5017322 1140 - Hundal Law	Appendix “SSS”
Net Sale Proceeds Disbursed	\$1,889,832.30 (of the total Sale Proceeds of \$1,899,528.20)				

91. The Receiver provides the following summary as to how the Sale Proceeds appear to have been distributed:

- a. \$817,859.49 to Mahtab Nali (reason unknown);
- b. \$80,800 to Nali and Associates (reason unknown);
- c. \$731,331.20 to Olympia Trust Company to discharge the Olympia Charge;
- d. \$30,000 to Unik Credit Management, which may in fact be a reference to “Stockwoods LLP – Nader Hasan” (reason unknown);
- e. \$5,000 to Bally Hundal Law Firm (reason unknown);
- f. \$103,040.42 paid to Hundal Law Professional Corporation (much of this amount is unsupported and/or appears to pertain to matters for Mr. Pilehver and/or other entities unrelated to LV IV);
- g. \$7,001.19 paid to City of London on account of property taxes owed by LV IV;
- h. \$34,000 to Blaney McMurtry (reason unknown, but given the reference to Timothy Dunn of Blaney McMurtry LLP, it appears this amount may have been paid to fund a retainer on behalf of Mr. Pilehver personally, TGP Canada and Paybank so that they could engage Blaney McMurtry LLP to represent them in the Receivership Proceedings); and
- i. \$80,800 to Remax West Realty Inc. Brokerage (commission payment).

92. As indicated in the Table above, these transfers total \$1,889,832.30 (\$9,678.40 less than the Sale Proceeds). The Receiver received the Remaining Balance of \$8,844.75 from Hundal Law on May 21, 2025.³⁰

³⁰ There is accordingly a small discrepancy of \$833.65 between the total Sale Proceeds, and the amounts disbursed by Hundal Law, for which the Receiver is unable to account.

93. To elaborate on the information and documentation contained in the Table above, the Receiver provides the following additional details for each of the foregoing transactions.

4.6 Payments to Stockwoods LLP and Bally Hundal Law Firm

94. As explained above, \$30,000 was transferred to Unik Credit Management and \$5,000 to Bally Hundal Law Firm.
95. Based on the information provided by Ms. Hundal's LawPro counsel, a direction was signed by Mr. Pilehver in his capacity as a director of LV IV directing cheques from the Sale Proceeds be made to Bally Hundal Law Firm in the amount of \$5,000 and to Stockwoods LLP-Nader Hasan in the amount of \$30,000. There is a handwritten annotation next to Stockwoods LLP with the text "Unik Credit [illegible text]". A copy of this direction is attached hereto as **Appendix "PPP"**.
96. In the documents provided by Ms. Hundal's LawPro counsel, there does not seem to be an explanation for why Sale Proceeds from the LV IV Property sale would be transferred to these parties.
97. Based on an internet search of Bally Hundal Law Firm, the website for Bally Hundal Law Firm appears to be: [Top Criminal Lawyers Brampton - Hundal Law firm](#), having an address of 490 Bramalea Road, Unit 104, Brampton. This is the same address as Hundal Law, based on the Hundal Law invoices and cheques provided by Ms. Hundal's LawPro counsel to the Receiver.
98. The Receiver understands that Bally Hundal Law Firm provides criminal defence services.

4.7 Payments to Ms. Nali and Nali and Associates

99. As noted above, \$817,859.49 of the Sale Proceeds were paid to Ms. Nali and \$80,800 of the Sale Proceeds were paid to Nali and Associates.
100. Mr. Pilehver had provided the Receiver with a number of co-owner agreements, including in respect of the LV IV Property. Based on the Receiver's review of these documents, none of Nali and Associates, Ms. Nali or Mr. Pilehver are listed as Co-Owners with respect to the LV IV Property.
101. Ms. Hundal's LawPro counsel provided to the Receiver copies of:
- A direction signed by Mr. Pilehver in his capacity as a director of LV IV to pay net Sale Proceeds of the LV IV Property sale to "*Nali & Associates or Mahtab Nali or as they may otherwise direct*". The direction does not indicate the amount of money to be paid to either party;
 - A certified cheque made from Hundal Law in the amount of \$817,859.49 to Mahtab Nali, which appears to have been deposited on February 7, 2025 at a TD Bank Branch: 0089 Bramalea City Centre, 60 Peel Centre Dr., Unit 103, Brampton, Ontario in an account held by "NALI M" bearing Account No. 6177612;

- c. A copy of a February 6, 2025 wire transfer with the handwritten note that the wire to Mahtab Nali did not go through and cheque deposited as per accounting attached. In the highlighted Hundal Law Account Statement provided by Ms. Hundal's LawPro counsel on April 22, 2025, attached as **Appendix "KKK"**, the account to which this wire transfer was sent is noted as "Mahtab Nali 1929-5023332"; and
 - d. A cheque made from Hundal Law in the amount of \$80,800 to Nali and Associates, which appears to have been deposited on February 18, 2025.
102. Copies of the direction, the cheque to Mahtab Nali and the wire transfer are attached hereto as **Appendix "OOO"**. A copy of the cheque made to Nali and Associates is attached hereto as **Appendix "TTT"**.
103. The Receiver has taken further steps to ascertain the nature of Mahtab Nali, Nali and Associates and their relationship, if any, to the receivership entities and Mr. Pilehver.
104. Based on a corporate profile search of Nali and Associates, an individual by the name of Mahtab Nali is listed as director and President. A copy of this corporate profile search is attached hereto as **Appendix "VVV"**.

4.8 Relationship Between Mr. Pilehver, Ms. Nali, Nali and Associates and Their Presence in Ontario and the UK

105. As noted above, \$817,859.49 of the Sale Proceeds were paid to Ms. Nali and \$80,800 of the Sale Proceeds were paid to Nali and Associates.
106. The Receiver has reason to believe that Ms. Nali and Mr. Pilehver may be spouses of one another, or otherwise related, and that they have residences and/or assets in Ontario, and perhaps, the United Kingdom. In this regard, the Receiver notes the following:
- a. Mr. Pilehver corresponds with the Receiver and others using an email address (ben@sandgecko.ca) with the domain name of Sand Gecko.
 - b. A company by the name of "Sand Gecko Inc." is incorporated in Ontario. An individual by the name of "Behzad Pilehver" is listed as one of the directors. The address for service listed in the corporate profile report is 27 Rean Drive, Ph 703, Toronto, Ontario. A copy of the corporate profile report is attached hereto as **Appendix "WWW"**.
 - c. A company by the name of "Sand Gecko Ltd" was also incorporated in the United Kingdom. Two individuals by the name of Mrs. Mahtab Pilehver (former name Nali) and Mr. Behzad Pilehver are listed as directors in the Application to Register a Company. The service address for both individuals on the Application to Register a Company and corporate profile are nearly identical to those listed for Sand Gecko Inc. above, being "Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6". Additionally, Sand Gecko Inc. is listed as the initial shareholder in the Application to Register a Company. Copies of the Certificate of Incorporation, Application to Register a Company and corporate profile report for Sand Gecko Ltd. are attached hereto as **Appendix "XXX"**.

107. Additionally, the Receiver has identified commonality in several addresses associated with Mr. Pilehver, Ms. Nali and Nali and Associates, as is summarized in the Table below:

Entity	Company Address(es) (Registered Owner)	Mr. Pilehver Address for Service (Registered Owner)	Ms. Nali Address for Service (Registered Owner)
LV IV (see Appendix "B")	Attention/Care of Behzad Pilhver, 50 West Wilmont Street, Suite 100, Richmond Hill, Ontario, L4B 1M5 (Registered Owner 50 West Wilmot Inc.) (" 50 West Wilmot ") ³¹ (see Appendix "YYY")	50 West Wilmot	
Titan Shield Inc. (see Appendix "V")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	50 West Wilmot (see Appendix "YYY")	
TGP Canada (see Appendix "C")	25 Mallard Road, Unit 100, North York, Ontario, M3B 1S4 ³² (Registered Owner St. George and St. Rueiss Coptic Orthodox Church, Toronto) (" Mallard Road ") (see Appendix "NNNN")	Attention/Care of Behzad Pilhver, Mallard Road (see Appendix "NNNN")	
Nali and Associates (see Appendix "VVV")	Registered Office: Attention/Care of MAHTAB NALI, 48 Chelford Road, Toronto, Ontario, M3B 2E5 (Registered Owner Yuzhen Li) (" 48 Chelford ") ³³ (see Appendix "ZZZ") Principal Place of Business (as set out in Business Names Registration): 70 Harrison Road, Toronto, Ontario, M2L 1V8, Canada (Registered Owner Jie Dai) (" 70 Harrison Road ") (see Appendix "AAAA")		48 Chelford (see Appendix "ZZZ")
Paybank (see Appendix "D")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	335 Parkview Avenue, Toronto, Ontario, M2N 3Z6, Canada (Registered Owner Morkos Investments Limited) (" 335 Parkview Avenue ") (see Appendix "BBBB")	
Global Petroleum Investment Corporation (see Appendix "CCCC")	Attention/Care of MAHTAB NALI, 335 Parkview Avenue ³⁴ (see Appendix "BBBB")		70 Harrison Road (see Appendix "AAAA")

³¹ The Receiver understands that there is no Suite 100 at this address. The appended parcel abstract reflects the last inactive PIN before the property was subdivided into condominiums.

³² Despite the reference to Unit 100, the Receiver understands that this property is not condominiumized.

³³ The Receiver notes that the February 10, 2025 direction signed by Mr. Pilehver concerning the distribution of the Sale Proceeds, as provided by Ms. Hundal's LawPro counsel in the July 4 Email and attached as Appendix "PPP", referenced "Yu Tong Law Professional Corporation in trust (RE: Rent – 48 Chelford Rd, North York, ON, M3B 2E5)" \$63,100 – with a hand written notation striking such entry from the direction.

³⁴ The corporate profile report for Global Petroleum Investment Corporation misstates the registered address as 355 Parkview Avenue, which is a municipally-owned park.

Sand Gecko Inc. (see Appendix "WWW")	27 Rean Drive, Ph 703, Toronto, Ontario, M2K 0A6 (Registered Owners John Craven and Carolyn Craven) (" Rean Drive ") (see Appendix "DDDD")	3275 Sheppard Avenue East, Toronto, Ontario, M1T 3P1, Canada (Registered Owner 1430730 Ontario Limited) (" 3275 Sheppard Ave. East ") (see Appendix "EEEE")	
Sand Gecko Ltd. (see Appendix "XXX")		Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6 (see Appendix "DDDD")	Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6 (see Appendix "DDDD")
Rozhina Development Group Inc. (see Appendix "Q")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	50 West Wilmot (see Appendix "YYY")	
Golden Griddle Inc. (see Appendix "FFFF")	Attention/Care of HAROLD MCDONNELL, 10551 Highway 12, Port Perry, Ontario, L9L 1B3 (Registered Owner 1000900173 Ontario Inc.) (see Appendix "GGGG")	100 Harrison Garden Boulevard, 1515, Toronto, Ontario, M2N 0C1 (Registered Owners Tae Sup Shim and In Young Park) (see Appendix "HHHH")	

108. Publicly, Mr. Pilehver indicated in 2015 that he is the CEO of Sand Gecko Inc., the parent company of certain Golden Griddle franchises: [Former Golden Griddle staff go to labour board over unpaid wages](#).
109. With respect to the 70 Harrison Road address noted below, a 2020 CanLii decision³⁵ reflects that Sandgecko Inc. was a tenant of the rental unit and had its tenancy terminated for non-payment of rent. Sandgecko Inc. then sought to appeal. The decision reflects that despite Madam Justice Favreau's direction that the tenant be advised of a case conference, "*Neither Mr. Pilehvar nor Ms. Nali attended the case conference*" ([para. 22](#)). While Mr. Pilehver appeared at a subsequent case conference, Justice Favreau dismissed Sandecko Inc.'s appeal, finding at [paragraph 39](#) that "*The appeal and the tactics on the appeal are designed to avoid the effect of the Board's termination order. This is a clear case of abuse of process.*"
110. As is summarized in the Table above, the Receiver has identified commonality in several Ontario addresses associated with Mr. Pilehver, Ms. Nali and Nali and Associates:
- 48 Chelford Road, Toronto is an address for service for both Mr. Pilehver and Ms. Nali, and is the registered office of Nali and Associates, attention Ms. Nali;
 - 355 Parkview Avenue, Toronto is an address for service for Mr. Pilehver and is also the registered address of Global Petroleum Investment Corporation, attention/care of Ms. Nali; and

³⁵ *Sandgecko Inc. v. Ye*, [2020 ONSC 7245](#) (CanLII)

- c. Merci, PH 703, 27 Rean Drive, Toronto is an address for service for both Mr. Pilehver and Ms. Nali, as listed in the Application to Register a Company for Sand Gecko Ltd., a UK entity.

111. As detailed in this Report, there is evidence to indicate that the Defendants have assets and/or an active business presence in Ontario.

4.9 Payments to Hundal Law Firm

112. Based on the transactions identified by Ms. Hundal's LawPro counsel, a series of payments were made to Hundal's Law Firm from the LV Sale Proceeds as follows:

Date	Amount Paid to Hundal Law
02/10/2025	\$58,000
02/12/2025	\$5000
02/20/2025	\$30,000
03/03/2025	\$4,040.00
03/03/2025	\$6,000.42
Total	\$103,040.42

113. In purported support of the aforesaid payments to Hundal Law using the LV IV Property Sale Proceeds, Ms. Hundal's LawPro counsel provided the following documents in the July 4 Email, all of which are enclosed at **Appendix "SSS"** as noted in the Table at paragraph 90 above:

Date	Comment
December 3, 2018	A redacted letter to Mr. Behzad Pilehver re "your purchase from Island View Estates". There is a handwritten note as follows of PH18-0015. \$21,719.73 plus late penalty 3,140.27 = 24860.00"
February 5, 2025	Invoice addressed to Ben Pilevhr for \$3,955 (including HST and disbursements) for services rendered including "TO acting for you and your various companies with respect to 4750 Yonge and 220 Duncan Mills Road May 2019..."
February 5, 2025	Invoice addressed to Ben Pilevhr for \$9,040 (including HST and disbursements) for services rendered including "Legal work from Sept 10 - Nov 15/2024 including various claims review related to London properties, phone calls with lawyers several days. Emails, file work for Talbot and Tottenham claims..."

114. The supporting documentation provided in the July 4 Email only accounted for \$37,855 of the \$103,040.42 paid to Hundal Law utilizing the Sale Proceeds.

115. Of this \$37,855, the amounts referenced in the first two rows above appear to be unrelated to LV IV or the LV IV Property.
116. The Receiver notes, as was set out at Exhibit “N” of the Klemens Affidavit filed in the Receivership Application and is attached hereto as **Appendix “III”**, the Law Society of Ontario commenced an application against Ms. Hundal on March 16, 2023 for alleged conduct unbecoming a licensee. The Receiver is unaware of the outcome of the proceeding, which appears to be unrelated to the subject matter of the Receivership Proceeding. Ms. Hundal has no practice restrictions listed on the Law Society of Ontario directory, which notes the existence of current regulatory proceedings: [Member | Law Society of Ontario](#).
117. The Receiver also notes that Ms. Hundal, Mr. Pilehver, Sand Gecko Inc., Ali Razian (a listed director of Sand Gecko Inc.) and others appear to each be party to other litigation in the Ontario Superior Court of Justice: *Madani v. Razian*, [2023 ONSC 6734](#) (CanLII). The Receiver has not investigated the nature of such proceedings or their status and has no reason to believe that such proceedings concern matters pertaining to the Land Banking Enterprise or the Receivership Proceedings.

4.10 Payments to Remax Commission and the City of London

118. Based on the transactions identified by Ms. Hundal’s LawPro lawyer, two additional payments from the Sale Proceeds were made as follows:
- a. On February 28, 2025, \$7,001.19 paid to City of London; and
 - b. On February 10, 2025, \$80,800 to Remax West Realty Inc. Brokerage.
119. In the July 4 Email, Ms. Hundal’s LawPro counsel provided the Receiver with a copy of a Remax invoice supporting this amount for the sale of the LV IV Property. The Receiver has also received a City of London property tax invoice from Ms. Hundal’s LawPro counsel. These are attached hereto as **Appendices “RRR”** and **“UUU”** respectively.
120. Had the sale of the LV IV Property been authorized by Co-Owners and permitted to lawfully proceed, the Receiver would not have taken issue with these specific expenses incurred in connection with the sale.

4.11 Payments to Blaney McMurtry LLP

121. Finally, based on the transactions identified by Ms. Hundal’s LawPro counsel and the documentation provided in the July 4 Email, \$34,000 was paid to Blaney McMurtry LLP on March 5, 2025. A copy of this wire confirmation, with Blaney’s account information redacted, is attached hereto as **Appendix “QQQ”**.
122. The Receiver believes that these Sale Proceeds may have been improperly paid to Blaney McMurtry LLP in order for Blaney McMurtry LLP to be engaged by Mr. Pilehver in his personal capacity, TGP Canada and Paybank (collectively, the **“Paybank Parties”**) in connection with the Receivership Proceedings.

123. In this regard, on March 21, 2025, Timothy Dunn of Blaney McMurtry LLP (the “**Paybank Parties’ lawyer**”) sent a letter to the Service List in the Receivership Proceeding indicating “*We have recently been retained by the Paybank Parties in connection with this matter and various other related matters*”. In its letter, Blaney McMurtry LLP indicated, among other things, that certain allegations have been made against the Paybank Parties in the materials filed to support the Receivership that the Paybank Parties reject as either inaccurate or, in some cases, deliberately misleading. Nevertheless, the March 21, 2025 letter indicates that notwithstanding the inaccuracy of the information submitted to the court to support the appointment of the Receiver, the Paybank Parties are content to have KSV act in this capacity as it provides a stability that would otherwise not exist. The March 21, 2025 letter is appended hereto as **Appendix “JJJJ”**.
124. Subsequent to sending the March 21, 2025 letter, Blaney McMurtry LLP has not otherwise been an active participant in the Receivership Proceedings on behalf of the Paybank Parties, aside from periodic email exchanges with the Receiver’s counsel.

4.12 The Receiver’s Requests of Mr. Pilehver to Provide Particulars of the Distribution of the LV IV Sale Proceeds Have Been Ignored

125. On March 28, 2025, representatives of the Receiver met virtually with Mr. Pilehver as well as Ralph Canonaco (“**Mr. Canonaco**”). According to the Paybank³⁶ and Rozhina Development Group³⁷ websites, Mr. Canonaco is the Chairman of Paybank and is the President of Rozhina Development Group.
126. Subsequently, on April 4, 2025, in response to a request made by the Receiver for the Co-Owner Information (as defined in paragraphs 5 to 8 of the Appointment Order), Mr. Pilehver provided the Receiver with access to a data room, as well as links to two Trans Global websites. Mr. Pilehver’s April 4, 2025 email to the Receiver is appended hereto as **Appendix “KKKK”**.
127. A review of the data room revealed that the requested Co-Owner Information had not been fully provided. Accordingly, on April 8, 2025, the Receiver’s counsel wrote to the Paybank Parties’ counsel reiterating the request that such Co-Owner Information be provided, which correspondence is attached at **Appendix “LLLL”**.
128. On April 16, 2025, Mr. Pilehver emailed the Receiver’s counsel, the Paybank Parties’ counsel and the Receiver, writing in his capacity as representative of TGP Canada, which he asserted is the recognized and duly authorized management entity overseeing the interests of various co-owners and beneficiaries of mortgage receivables pertaining to two entities in the Land Banking Enterprise which are not respondents to the Receivership Proceedings.

³⁶ [Our Team | PAYBANK FINANCIAL SERVICES](#)

³⁷ [Our People | Rozhina Development Group](#)

129. By letter dated April 16, 2025 (the “**Receiver’s Counsel’s April 16 Letter**”) sent by the Receiver’s counsel to the Paybank Parties’ counsel, the Receiver’s counsel responded to Mr. Pilehver’s correspondence and reiterated that the requested Co-Owner Information remained outstanding. The Receiver’s counsel indicated that to accommodate the Paybank Parties’ counsel’s request for technical support, a hard drive (the “**Hard Drive**”) was delivered to the Paybank Parties’ lawyers on April 11, 2025 so that requested documentation could be provided to the Receiver by the Paybank Parties. The Receiver’s Counsel’s April 16 Letter (without enclosures), and the email exchanges with Mr. Pilehver from April 16, 2025, are attached as **Appendix “MMMM”**.

130. The Receiver’s Counsel’s April 16 Letter specifically requested that the Hard Drive be provided to the Receiver by Monday, April 21, 2025, and that it contain certain requested information and documentation, including:

“...with respect to the sale by the Respondent London Valley IV Inc. (“**LV IV**”) of 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”), we understand that Mr. Pilehver engaged Parminder Hundal Law Professional Corporation as real estate counsel to complete the sale transaction on behalf of LV IV on February 5, 2025, prior to the Receiver’s appointment. We further understand that Ms. Hundal’s firm received the sale proceeds of \$1,899,510.70 (the “**Sale Proceeds**”) by wire transfer on February 5, 2025. The Receiver requires that Mr. Pilehver provide all records and information concerning to whom the Sale Proceeds were disbursed, in what amounts, and for what purpose, including information concerning the current location of the Sale Proceeds”.

(the “**LV IV Sale Proceeds Inquiry**”)

131. By email sent on April 25, 2025, the Receiver’s counsel requested an email response be provided by Mr. Pilehver in response to the LV IV Sale Proceeds Inquiry. The Paybank Parties’ counsel responded on April 25, 2025 indicating that the Hard Drive was ready to be picked up, and that Mr. Pilehver was arranging for the information the Receiver required in response to the LV IV Sale Proceeds Inquiry to be available on April 28 or 29, 2025. This email exchange between the Receiver’s counsel and the Paybank Parties’ counsel is contained in **Appendix “MMMM”**.

132. While a Hard Drive was made available to be picked up by the Receiver on April 26, 2025, it did not contain information responsive to the Receiver’s LV IV Sale Proceeds Inquiry.³⁸ Accordingly, on May 2, 2025, the Receiver’s counsel again emailed the Paybank Parties’ lawyer requesting that Mr. Pilehver respond to the LV IV Sale Proceeds Inquiry forthwith. The Receiver’s counsel’s email in this regard is contained in **Appendix “MMMM”**.

³⁸ On the Hard Drive, Mr. Pilehver has provided the Receiver with various documents related to, amongst other things, financial information related to the receivership entities, documents related to the above described transactions, complaints to regulators, and co-owner agreements for multiple properties. Given the materials filed in the Hamilton Proceedings, the Receiver had specifically requested from Mr. Pilehver copies of the consents that were purportedly signed by these numerous foreign investors, permitting TGP Canada to act as their agent. Although Mr. Pilehver has provided numerous Co-Owner Agreements, based on the review of the documents received to date, the Receiver is unable to identify documents that would seem to reflect the type of consents he has purportedly obtained.

133. On May 27 and June 23, 2025, the Receiver's counsel again sent correspondence to the Paybank Parties' lawyers, copying Mr. Pilehver, requesting that Mr. Pilehver respond to the LV IV Sale Proceeds Inquiry. The Receiver's counsel's emails in this regard are also contained in **Appendix "MMMM"**, together with the Paybank Parties' lawyer's May 27 email indicating he would follow-up with Mr. Pilehver.
134. To date, neither Mr. Pilehver nor the Paybank Parties' counsel on his behalf has responded to the LV IV Sale Proceeds Inquiry.
135. As a result of the documentation delivered by Ms. Hundal's LawPro counsel in the July 4 Email concerning the improper distribution of the LV IV Sale Proceeds, the Receiver proceeded to bring the within motion in an effort to trace and secure LV IV's property in accordance with the Appointment Order.

5.0 Injunctive Relief

136. Based on the information set out in this Third Report, the Receiver believes there is strong evidence that:
- a. The LV IV Property was sold at the direction of Mr. Pilehver in breach of the October 31, 2024 Injunction Order, and contrary to the notice and approval requirements contained in the Co-Owners Agreements;
 - b. The LV IV Sale Proceeds were not distributed as required by the Co-Owner Agreements. Instead, \$1,071,551.06 of the Sale Proceeds appears to have been improperly distributed to or for the benefit of Ms. Nali and Mr. Pilehver, through the payments made to Ms. Nali, Nali and Associates, and to the various law firms as noted in Section 4.5 above. As a result, the Receiver believes Ms. Nali, Nali and Associates and Mr. Pilehver were unjustly enriched, LV IV has suffered a corresponding deprivation, and there is no juristic reason for their enrichment in this regard;
 - c. Despite the Receiver's repeated requests of Mr. Pilehver and his counsel to advise as to how the LV IV Sale Proceeds were distributed, Mr. Pilehver has failed or refused to respond to the Receiver's inquiries;
 - d. The Receiver has reason to believe that Mr. Pilehver, Ms. Nali and Nali and Associates each have assets or businesses in Ontario;
 - e. Given the conduct observed by the Receiver, the Receiver believes that if the requested injunctive relief is not granted as against the Defendants to restrain them from transferring or dealing with assets, there is a serious risk of their assets being removed from the jurisdiction or otherwise dissipated or disposed of before a judgment can be obtained against them to recover the improperly distributed Sale Proceeds; and

- f. Given the Receiver's position as an officer of the court having a duty to comply with the powers granted to it in the Appointment Order, and given the fact that LV IV is insolvent, the Receiver is of the view that it is just and convenient in all the circumstances for the requested injunctive relief to issue without an undertaking as to damages being provided.
137. The Receiver will fund the expenses associated with the costs incurred by financial institutions in complying with the *Norwich* Order requested on this motion.

6.0 Receiver's Recommendations

138. Based on the foregoing, the Receiver recommends and requests that the Court grant:
- (i) the *Mareva* injunctive relief sought as against each of Mr. Pilehver, Nali and Associates and Ms. Nali; and
 - (ii) the *Norwich* Order sought.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
LONDON VALLEY IV INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

APPENDIX A



Court File No.: CV-25-00736577-00CL

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

THE HONOURABLE

)

THURSDAY, THE 6TH

JUSTICE STEELE

)

DAY OF MARCH, 2025

)

BETWEEN:

**MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI
KYOHODO CO., LTD. AND TORU FUKIAGE**

Applicants

- and -

**CLEARVIEW GARDEN ESTATES INC., TALBOT CROSSING INC., NIAGARA
ESTATES OF CHIPPAWA II INC., LONDON VALLEY INC., LONDON VALLEY II INC.,
LONDON VALLEY III INC., LONDON VALLEY IV INC., LONDON VALLEY V INC.,
FORT ERIE HILLS INC., 2533430 ONTARIO INC., CGE CAPITAL MANAGEMENT
INC., TGP-TALBOT CROSSING INC., NEC II CAPITAL MANAGEMENT INC., LV
CAPITAL MANAGEMENT INC., LV II CAPITAL MANAGEMENT INC., LV III
CAPITAL MANAGEMENT INC., LV IV CAPITAL MANAGEMENT INC., LV V
CAPITAL MANAGEMENT INC. AND FORT ERIE HILLS CAPITAL MANAGEMENT
INC.**

Respondents

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE *COURTS OF
JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND RULES 14.05(2) AND (3) OF
THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the "**Applicants**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") and Rules 14.05(2) and (3) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"), among other things, appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**") of the Property (as defined below), was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicants, including the affidavit of Akiko Kobayashi sworn February 27, 2025 and the Exhibits thereto (the "**Kobayashi Affidavit**"), and the affidavit of Lorraine Klemens sworn February 28, 2025 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that all terms not otherwise defined herein shall have the meaning ascribed to them in the Kobayashi Affidavit.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, KSV is hereby appointed Receiver, without security, of:
 - (a) all of the assets, undertakings and personal property of Clearview Garden Estates Inc., Talbot Crossing Inc., Niagara Estates of Chippawa II Inc., London Valley Inc., London Valley II Inc., London Valley III Inc., London Valley IV Inc., London Valley V Inc. and Fort Erie Hills Inc. (collectively, the "**Nominee Respondents**" and each, a "**Nominee Respondent**") and 2533430 Ontario Inc. acquired for, or used in relation to a business carried on by the Nominee Respondents (or any one of them) and/or 2533430 Ontario Inc. and the proceeds therefrom, including, without limitation, the real property municipally and legally described in Schedule "A" hereto and any assets or property held by any of the Nominee Respondents and/or 2533430 Ontario Inc. in trust for any third party (collectively, the "**Nominee Property**");

- (b) all of the monies paid or invested or caused to be paid or invested by the Co-Owners of any of the real property previously or currently owned by any of the Nominee Respondents or 2533430 Ontario Inc. into or intended for one or more segregated accounts known as the "Concept Planning Fund" for the purposes of defraying costs, expenses and fees to be incurred in connection with the applicable real property pursuant to one or more Co-Owners Agreements (collectively, the **"Concept Planning Funds"**), as determined by the Receiver;
- (c) all of the income derived in any way from the ownership, operation, use, leasing, financing, refinancing, sale of, development and/or any other dealing whatsoever with any of the real property previously or currently owned by any of the Nominee Respondents or 2533430 Ontario Inc., including, without limiting the generality of the foregoing, the real property municipally and legally described in Schedule "B" hereto (collectively with the Concept Planning Funds, the **"Segregated Funds"**), provided that such Segregated Funds shall not include any income derived from the real property municipally and legally described in Schedule "B" hereto by any arm's length purchaser of such property after the date of the applicable property's sale to such purchaser; and
- (d) all of the assets, undertakings and personal property of CGE Capital Management Inc., TGP-Talbot Crossing Inc., NEC II Capital Management Inc., LV Capital Management Inc., LV II Capital Management Inc., LV III Capital Management Inc., LV IV Capital Management Inc., LV V Capital Management Inc., and Fort Erie Hills Capital Management Inc. (collectively the **"Operator Respondents"** and each, an **"Operator Respondent"**, and together with the Nominee Respondents and 2533430 Ontario Inc., the **"Respondents"** and each, a **"Respondent"**) used in connection with or arising from or out of or which is necessary to access or use the Segregated Funds (collectively with the Nominee Property and the Segregated Funds, the **"Property"**).

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including, without limitation, all proceeds in any bank accounts or trust accounts (including any account in the name of any of the Operator Respondents and any lawyer's trust account) in the name, or for the benefit, of any of the Respondents and any Property held in the name of any third party but beneficially owned by any of the Respondents;
 - (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate, and carry on the business of the Respondents (or any one of them), in connection with the Property, including the powers to enter into any agreements or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business in connection with the Property, or cease to perform or disclaim any contracts of any of the Respondents, provided that the Receiver shall not disclaim any agreement of purchase and sale related to the real property municipally and legally described in Schedule "A" hereto without further Order of this Court on notice to the service list in these proceedings;
 - (d) to engage managers, contractors, subcontractors, trades, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and

such other Persons (as defined below) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents (or any one of them) in connection with the Property, or as may be appropriate to receive, preserve or protect the Property or any part or parts thereof;
- (f) for greater certainty, notwithstanding the order (the "**First Global Injunction**") of the Honourable Justice MacNeil granted on October 31, 2024 in the Hamilton Proceedings (as defined below), to receive and collect all monies and accounts now owed or hereafter owing to any of the Respondents in connection with the Property (including, without limitation, any insurance proceeds, rent payments or any other income from the Property) and to exercise all remedies of any of the Respondents in collecting such monies and accounts, including, without limitation, taking steps to enforce any security held by any of the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to any of the Respondents in connection with the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any of the Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings or claims (including, without limitation, claims under insurance policies held by any of the Respondents or related to the Property) and to defend all proceedings now pending or hereafter instituted with respect to any of the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings or claims. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to review, investigate, and report to this Court on: (i) all payments, receipts, disbursements, accounts payable, conveyances, transfers, preferences, transactions and other arrangements between or among any of the Respondents and other Persons, including, without limitation, other companies and entities that are affiliates of any of the Respondents, that appear to the Receiver to be out of the ordinary course of business; and (ii) the respective interests, rights and priorities of any of the Respondents' creditors and other Persons in, in and to, and in respect of the Property or any part thereof. All Persons shall be required to provide any and all information and documents related to the Respondents and/or the Property requested by the Receiver in connection with any such review and investigation;
- (k) for greater certainty, notwithstanding the First Global Injunction, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) for greater certainty, notwithstanding the First Global Injunction, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under Part V of the *Personal Property Security Act*, R.S.O. 1990, c. P. 10, as amended or section 31 of the *Mortgages Act*, R.S.O. 1990, c. M. 40, as amended, as the case may be, shall not be required;
- (m) for greater certainty, notwithstanding the First Global Injunction, to apply for any vesting order or other orders necessary to convey the Property or any part or parts

thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including, without limitation, the real property municipally and legally described in Schedule "A" hereto;
- (p) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Respondents and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (r) to undertake any investigations deemed appropriate by the Receiver with respect to: (i) the location and/or disposition of assets reasonably believed to be, or to have been, Property; and (ii) any ownership interest, claim, lien, charge, security interest or encumbrance asserted, filed or registered, as applicable, against the Property or any part thereof;
- (s) to examine under oath any Person the Receiver reasonably considers to have knowledge of the affairs of the Respondents (or any one of them) or the Property

or any part thereof, including, without limitation, any present or former director, officer, employee or shareholder of the Respondents (or any one of them);

- (t) to trace and follow (i) the Segregated Funds or any portion thereof and (ii) the proceeds of any real property previously owned by any of the Respondents that was sold, transferred, assigned or conveyed on or after the granting of the First Global Injunction, including, without limitation, the real property municipally and legally described in Schedule "B" hereto;
- (u) to take such steps as the Receiver deems appropriate in the following proceedings before the Commercial List of the Ontario Superior Court of Justice: (i) *1180544 Ontario Limited v. CBJ Developments Inc. et al.* bearing Court File No. CV-23-00707989-00CL; and (ii) *Hillmount Capital Mortgage Holdings Inc. v. CBJ-Fort Erie Hills Inc.*, bearing Court File No. CV-24-00730993-00CL (together, the **"Extant Receivership Proceedings"**);
- (v) to exercise any shareholder, partnership, joint venture or other rights which any of the Respondents may have;
- (w) to make an assignment in bankruptcy on behalf of the Respondents (or any one of them); and
- (x) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) each of the Respondents, (ii) all of the Respondents' current and former directors, officers, employees, agents, accountants, legal counsel, shareholders and affiliates, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other

entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Respondents or the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph 7, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and

providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

8. THIS COURT ORDERS that, without limiting the generality of paragraphs 5-7 and subject to such confidentiality arrangements as the Receiver deems advisable, each of TSI-CGE International Canada Inc., TGP-Talbot Crossing Inc., TSI-NEC II International Canada Inc., TSI-LV International Canada Inc., TSI-LV II International Canada Inc., TSI-LV III International Canada Inc., TSI-LV IV International Canada Inc., TSI-LV V International Canada Inc. and Fort Erie Hills International Canada Inc. (collectively, the "**Vendors**") and each of the Respondents shall provide the following information (collectively, the "**Co-Owner Information**") to the Receiver forthwith, in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Co-Owners, in each case, to the extent in the possession or control of the Respondents and/or the Vendors; and (ii) upon request of the Receiver, such documents and data as may be reasonably relevant to the issues affecting the Co-Owners in these proceedings, in each case, to the extent in the possession or control of the Respondents and/or the Vendors. In providing the Co-Owner Information, the Respondents and the Vendors shall not be required to obtain the express consent of any Co-Owner authorizing the disclosure of the Co-Owner Information to the Receiver for the purposes of these proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, each of the Respondents and the Vendors is authorized and permitted to disclose the Co-Owner Information to the Receiver for the purposes of these proceedings, without the knowledge or consent of the Co-Owners.
9. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by

further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

10. THIS COURT ORDERS that each applicable Land Registry Office, including, without limitation, Land Registry Office No. 33, is hereby directed to register a copy of this Order against title to the Property municipally and legally described in Schedule "A" hereto.
11. THIS COURT ORDERS that the Receiver may file a copy of this Order in the Extant Receivership Proceedings and the Hamilton Proceedings.

NO PROCEEDINGS AGAINST THE RECEIVER

12. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

13. THIS COURT ORDERS that no Proceeding, including for greater certainty, the proceedings before the Ontario Superior Court of Justice styled as *Trans Global Partners Limited et al. v. First Global Financial Corp. et al.*, bearing Court File No. CV-24-00087580-0000 (the "**Hamilton Proceedings**"), against or in respect of any of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided that nothing in this paragraph 14 shall: (i) empower the Receiver or any of the Respondents to

carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Receiver or any of the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with any of the Respondents or contractual, statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, accounting services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of each of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

17. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order

from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

18. THIS COURT ORDERS that all employees of the Respondents shall remain the employees of the applicable Respondent until such time as the Receiver, on the applicable Respondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended.

PIPEDA

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the Respondents, and shall

return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, as amended, the *Environmental Protection Act*, R.S.O. 1990, c. E.19, as amended, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, as amended, or the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, as amended, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
23. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
24. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of

the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

26. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
28. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further Order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

NORWICH ORDER

29. THIS COURT ORDERS that the Toronto Dominion Bank shall forthwith disclose and produce to the Applicants and the Receiver copies of:
 - (a) bank account statements;
 - (b) instruments (including deposits, withdrawals and transfers); and
 - (c) other documents (including but not limited to files, papers, records, notes, correspondence, memoranda, communications and other records) pertaining to the identity of any person who instructed the Toronto Dominion Bank to conduct any payments or transfers to account holders or third parties, the identity of the payees and particulars of the instruments and transactions,

in the possession of the Toronto Dominion Bank or its subsidiaries that relate to the transfer of \$1,899,528.20 (the "**Sale Proceeds**") from the account bearing account number 03481062053 at the Bank of Montreal in the name of McKenzie Lake Lawyers LLP to the account owned or operated by Parminder Hundal Law Professional Corporation bearing account number 1140-5017446 (the "**Hundal Account**") at the Toronto Dominion Bank on February 5, 2025 and any subsequent transfer(s) of the Sale Proceeds or any portion thereof out of the Hundal Account thereafter.

30. THIS COURT ORDERS that the disclosure ordered in paragraph 29 above shall include, but not be limited to, the account number(s) to which the Sale Proceeds were sent from the Hundal Account, and if known, the identity of the recipient(s) of those funds.
31. THIS COURT ORDERS that the Toronto Dominion Bank shall provide the records pursuant to this Order as soon as reasonably practicable.
32. THIS COURT ORDERS that the Applicants shall pay the reasonable costs incurred by the Toronto Dominion Bank in complying with this Order.
33. THIS COURT ORDERS that:
 - (a) the information produced by Toronto Dominion Bank to the Applicants with respect to the Hundal Account shall not be disclosed to any person or entity that is not a party to this application, other than the Receiver. Notwithstanding the foregoing, the details of any transactions related to the Sale Proceeds (whether direct or indirect) (the "**Relevant Information**") may be disclosed. If the Applicants or the Receiver publicly file with the court in any manner or in any proceeding any of the documents produced by Toronto Dominion with respect to the Hundal Account, including as an exhibit at trial or on a motion, all information except for the Relevant Information shall be redacted or the party seeking to file the document shall seek a sealing order on notice to Parminder Hundal; and
 - (b) the Deemed Undertaking Rule does not apply to the documents and information obtained by the Applicants and the Receiver in furtherance of paragraphs 29-30 of this Order such that the Applicants and the Receiver may use the documents

obtained from paragraphs 29-30 of this Order (with redactions to protect confidential information pertaining to third parties unrelated to the Sale Proceeds, if applicable, including in accordance with paragraph 33(a) of this Order) in order to commence a Proceeding against other third parties as appropriate with respect to the matters and facts as described in the Application Record filed by the Applicants on the within application.

SERVICE AND NOTICE

34. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/clearviewgarden> (the "**Receiver's Website**").
35. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

36. THIS COURT ORDERS that notice of the appointment of the Receiver shall be provided to all of the Co-Owners by: (i) the Receiver sending a letter to each of the Co-Owners at the address provided pursuant to paragraph 8 of this Order, advising of such appointment as soon as practicable following the date hereof; and (ii) the posting of such appointment on the Receiver's Website.
37. THIS COURT ORDERS that the Applicants, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

GENERAL

38. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
39. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents (or any one of them).
40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this

Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Property with the same priority as, and as secured by, the Receiver's Borrowings Charge.
43. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
44. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

Jana
Steele

Digitally signed
by Jana Steele
Date: 2025.03.07
11:53:23 -05'00'

SCHEDULE "A"
REAL PROPERTY

1. London Valley Inc.

Municipal Description: 5318 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0183 (LT)

PART LOT 63 ETR AS IN WU28828; EXCEPT WU30493, WU45704, WU49601, WU80146, 299895, 106748, 88711, CM168 & PLAN ER1060831; SUBJECT TO 340398, WU45704; "DESCRIPTION IN 398299 MAY NOT BE ACCEPTABLE IN THE FUTURE" LONDON/WESTMINSTER

2. London Valley II Inc.

Municipal Description: 6172 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0207 (LT)

PART LOTS 58 & 57 ETR AS IN 422573; EXCEPT PART 1, 33R8976 AND PART 1 EXPROPRIATION PLAN ER1469082; "DESCRIPTION IN 422573 MAY NOT BE ACCEPTABLE IN THE FUTURE" LONDON/WESTMINSTER "DESCRIPTION REVISED 2012/01/16, RE: EXCEPTION"

3. 2533430 Ontario Inc.

Municipal Description: Unavailable

Legal Description:

PIN 08207-0222 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565, SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1 AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1 PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON

4. London Valley V Inc.

Municipal Description: Wonderland Road. S, London, Ontario

Legal Description:

PIN 08207-0153 (LT)

PART LOTS 58 & 59 ETR WESTMINSTER DESIGNATED PARTS 8 & 9, 33R2972; AND PT LT 59, ETR WESTMINSTER AS IN 559255; SAVE & EXCEPT PART 1, PLAN ER864297; CITY OF LONDON

5. Talbot Crossing Inc.

Municipal Description: 5980 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0053 (LT)

PART LOT 58 & 59 ETR DESIGNATED PART 1, 33R9477; SUBJECT TO 871357 LONDON/WESTMINSTER

SCHEDULE "B"
SOLD REAL PROPERTY

1. Clearview Garden Estates Inc.

Municipal Description: 6237 27/28 Side Road Nottawasaga, Clearview, Ontario

Legal Description:

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA AS IN RO289265, EXCEPT 51R27930; S/T RO130023;
CLEARVIEW

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA PT 1, 51R27930; CLEARVIEW

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA PT 2, 51R27930; CLEARVIEW

2. London Valley IV Inc.

Municipal Description: 6211 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08211-0150 (LT)

PART LOT 57 WTR AS IN 753369 SAVE & EXCEPT PART 2 PLAN 33R-16279 AND PARTS
1 AND 2 ON EXPROPRIATION PLAN ER1469148, WESTMINSTER; CITY OF LONDON

3. Fort Erie Hills Inc.

Municipal Description: 87 Crooks Street & 0 Thompson Road ES, Fort Erie, Ontario

Legal Description:

PIN 64233-0064 (LT)

BLK R W/S CROOKS ST PL 525 VILLAGE OF BRIDGEBURG; LT 84 W/S CROOKS ST PL
525 VILLAGE OF BRIDGEBURG; PT BLK S W/S CROOKS ST PL 525 VILLAGE OF
BRIDGEBURG; PT LT 8 CON 2 NIAGARA RIVER BERTIE AS IN RO461513; FORT ERIE

4. Niagara Estates of Chippawa II Inc.

Municipal Description: 5559 Sodom Road, Niagara Falls, Ontario

Legal Description:

PIN 64254-0015 (LT)

PT LT 18 CON 2 WILLOUGHBY PT 1, 59R4701 EXCEPT PT 1, 59R4942; NIAGARA FALLS

5. 2533430 Ontario Inc.

Municipal Description: 6188 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0216 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF THE TALBOT ROAD, PART 1 PLAN 33R20792 EXCEPT PART 1 EXPROPRIATION PLAN ER1469093, WESTMINSTER; CITY OF LONDON

SCHEDULE "C"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of all of (i) the assets, undertakings and personal property of Clearview Garden Estates Inc., Talbot Crossing Inc., Niagara Estates of Chippawa II Inc., London Valley Inc., London Valley II Inc., London Valley III Inc., London Valley IV Inc., London Valley V Inc. and Fort Erie Hills Inc. (collectively, the "**Nominee Respondents**") and 2533430 Ontario Inc. acquired for, or used in relation to a business carried on by the Nominee Respondents (or any one of them) and/or 2533430 Ontario Inc. and the proceeds therefrom, including, without limitation, the real property legally described in Schedule "A" to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 6, 2025 (the "**Order**") made in an application having Court File Number CV-25-00736577-00CL, and any assets or property held by any of the Nominee Respondents and/or 2533430 Ontario Inc. in trust for any third party (collectively, the "**Nominee Property**"), and (ii) the Segregated Funds and all of the assets, undertakings and personal property of CGE Capital Management Inc., TGP-Talbot Crossing Inc., NEC II Capital Management Inc., LV Capital Management Inc., LV II Capital Management Inc., LV III Capital Management Inc., LV IV Capital Management Inc., LV V Capital Management Inc., and Fort Erie Hills Capital Management Inc. used in connection with or arising from or out of or which is necessary to access or use the Segregated Funds (collectively with the Nominee Property, the "**Property**"), has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.¹

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**][**monthly not in advance on the _____ day**]

¹ Capitalized terms used in this certificate and not otherwise defined herein have the meaning ascribed to them in the Order or the Affidavit of Akiko Kobayashi sworn February 27, 2025, as applicable.

of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the _____ day of _____, 202_.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal, corporate or any other capacity

Per: _____
Name:
Title:

IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND RULES 14.05(2) AND (3) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

**MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI
FUKIAGE, KOBAYASHI KYOHODO CO., LTD. AND
TORU FUKIAGE**

**and CLEARVIEW GARDEN ESTATES INC., TALBOT CROSSING INC.,
NIAGARA ESTATES OF CHIPPAWA II INC., LONDON VALLEY INC.,
LONDON VALLEY II INC., LONDON VALLEY III INC., LONDON
VALLEY IV INC., LONDON VALLEY V INC., FORT ERIE HILLS INC.,
2533430 ONTARIO INC., CGE CAPITAL MANAGEMENT INC., TGP-
TALBOT CROSSING INC., NEC II CAPITAL MANAGEMENT INC., LV
CAPITAL MANAGEMENT INC., LV II CAPITAL MANAGEMENT INC.,
LV III CAPITAL MANAGEMENT INC., LV IV CAPITAL MANAGEMENT
INC., LV V CAPITAL MANAGEMENT INC. AND FORT ERIE HILLS
CAPITAL MANAGEMENT INC.**

Applicants

Respondents

Court File No.: CV-25-00736577-00CL

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

Proceedings commenced in Toronto

APPOINTING ORDER

BENNETT JONES LLP

One First Canadian Place, Suite 3400
P.O. Box 130
Toronto, ON M5X 1A4

Amanda McLachlan (LSO# 58365O)

Tel: (416) 777-5393

Email: mclachlana@bennettjones.com

Mike Shakra (LSO#: 64604K)

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Tel: (416) 777-7906

Email: fosterj@bennettjones.com

Lawyers for the Applicants

APPENDIX B



Ministry of Public and
Business Service Delivery

Profile Report

LONDON VALLEY IV INC. as of July 27, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LONDON VALLEY IV INC.
Ontario Corporation Number (OCN)	2391715
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 11, 2013
Registered or Head Office Address	Attention/Care of Behzad Pilehver, 50 West Wilmont Street, Suite 100, Richmond Hill, Ontario, L4B 1M5, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name BEHZAD PILEHVER
Address for Service 50 West Wilmont Street, Suite 100, Richmond Hill, Ontario,
L4B 1M5, Canada
Resident Canadian Yes
Date Began September 11, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name

BEHZAD PILEHVER

Position

President

Address for Service

50 West Wilmont Street, Suite 100, Richmond Hill, Ontario,
L4B 1M5, Canada

Date Began

September 11, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

LONDON VALLEY IV INC.

October 11, 2013

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Archive Document Package	February 05, 2025
CIA - Notice of Change PAF: BEHZAD PILEHVER	September 19, 2024
CIA - Notice of Change PAF: ELENA SALVATORE	September 19, 2024
CIA - Notice of Change PAF: RANDY HOFFNER	September 12, 2024
CIA - Notice of Change PAF: DAVID BADHAM	August 26, 2024
Annual Return - 2024 PAF: RANDY HOFFNER	June 17, 2024
Annual Return - 2023 PAF: RANDY HOFFNER	June 17, 2024
Annual Return - 2022 PAF: ANKUR BHATNAGAR	June 05, 2023
Annual Return - 2021 PAF: ANKUR BHATNAGAR	January 18, 2023
Annual Return - 2017 PAF: RANDY HOFFNER - DIRECTOR	May 09, 2021
Annual Return - 2020 PAF: RANDY HOFFNER - DIRECTOR	May 09, 2021
Annual Return - 2019 PAF: RANDY HOFFNER - DIRECTOR	May 09, 2021
Annual Return - 2018 PAF: RANDY HOFFNER - DIRECTOR	May 09, 2021

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Annual Return - 2018 PAF: RANDY HOFFNER - DIRECTOR	May 09, 2021
CIA - Notice of Change PAF: ANKUR BHATNAGAR - OTHER	May 05, 2021
CIA - Notice of Change PAF: ANKUR BHATNAGAR - OTHER	April 06, 2021
Annual Return - 2016 PAF: DANIEL LANE - DIRECTOR	September 17, 2017
Annual Return - 2015 PAF: DANIEL LANE - DIRECTOR	September 17, 2017
CIA - Notice of Change PAF: DANIEL LANE - DIRECTOR	January 21, 2016
Annual Return - 2014 PAF: DANIEL LANE - DIRECTOR	April 04, 2015
CIA - Notice of Change PAF: ANKUR BHATNAGAR - OTHER	March 12, 2015
Annual Return - 2013 PAF: STEFFEN NIELSEN - DIRECTOR	July 26, 2014
BCA - Articles of Incorporation	October 11, 2013

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

APPENDIX C



Profile Report

TGP CANADA MANAGEMENT INC. as of July 27, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	TGP CANADA MANAGEMENT INC.
Ontario Corporation Number (OCN)	2627326
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 26, 2018
Registered or Head Office Address	25 Mallard Road, Unit 100, North York, Ontario, M3B1S4, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name	BEHZAD PILEHVER
Address for Service	Attention/Care of Behzad Pilehvar, 25 Mallard Road, Unit 100, North York, Ontario, M3B1S4, Canada
Resident Canadian	Yes
Date Began	June 04, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Officer(s)

Name

BEHZAD PILEHVER

Position

President

Address for Service

25 Mallard Road, Unit 100, North York, Ontario, M3B1S4,
Canada

Date Began

June 04, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

Effective Date

TGP CANADA MANAGEMENT INC.

March 26, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: BEHZAD PILEHVER	May 17, 2025
CIA - Notice of Change PAF: BEHZAD PILEHVER	August 29, 2024
CIA - Notice of Change PAF: RANDY HOFFNER	June 25, 2024
Archive Document Package	June 12, 2024
Annual Return - 2024 PAF: RANDY HOFFNER	May 17, 2024
Annual Return - 2023 PAF: RANDY HOFFNER	May 17, 2024
Annual Return - 2020 PAF: RANDY HOFFNER	May 17, 2024
Annual Return - 2022 PAF: ANKUR BHATNAGAR	June 05, 2023
Annual Return - 2021 PAF: ANKUR BHATNAGAR	January 18, 2023
CIA - Notice of Change PAF: ANKUR BHATNAGAR - OTHER	May 11, 2021
Annual Return - 2019 PAF: RANDY HOFFNER - DIRECTOR	May 31, 2020
Annual Return - 2018 PAF: RANDY HOFFNER - DIRECTOR	October 13, 2019
CIA - Notice of Change PAF: ANKUR BHATNAGAR - OTHER	July 18, 2019

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

CIA - Notice of Change
PAF: ANKUR BHATNAGAR - OTHER

May 29, 2019

BCA - Articles of Incorporation

March 26, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

APPENDIX D



Profile Report

2630306 ONTARIO INC. as of July 27, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2630306 ONTARIO INC.
Ontario Corporation Number (OCN)	2630306
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 12, 2018
Registered or Head Office Address	Attention/Care of BEHZAD PILEHVAR, 50 West Wilmot Street, Suite 100, Richmond Hill, Ontario, L4B1M5, Canada

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V. Quintanilla W.

Director/Registrar

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Minimum Number of Directors 1
Maximum Number of Directors 10

Active Director(s)

Name	BEHZAD PILEHVER
Address for Service	335 Parkview Avenue, North York, Ontario, M2N 3Z6, Canada
Resident Canadian	Yes
Date Began	November 14, 2023

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V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name	BEHZAD PILEHVER
Position	President
Address for Service	335 Parkview Avenue, North York, Ontario, M2N 3Z6, Canada
Date Began	November 14, 2023

Name	BEHZAD PILEHVER
Position	Secretary
Address for Service	335 Parkview Avenue, North York, Ontario, M2N 3Z6, Canada
Date Began	November 14, 2023

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Director/Registrar

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Corporate Name History

Name

2630306 ONTARIO INC.

Effective Date

April 12, 2018

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V. Quintanilla W.

Director/Registrar

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Active Business Names

Name	PAYBANK FINANCIAL SERVICES
Business Identification Number (BIN)	1001168113
Registration Date	March 07, 2025
Expiry Date	March 06, 2030
Name	PAYBANK
Business Identification Number (BIN)	1001127024
Registration Date	January 24, 2025
Expiry Date	January 23, 2030

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

Name	PAYBANK FINANCIAL
Business Identification Number (BIN)	1000907467
Status	Inactive - Cancelled
Registration Date	May 29, 2024
Cancelled Date	July 18, 2024

Name	PAYBANK FINANCIAL
Business Identification Number (BIN)	280419433
Status	Inactive - Expired
Registration Date	April 13, 2018
Expired Date	April 12, 2023

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Archive Document Package	February 03, 2025
CIA - Notice of Change PAF: BEHZAD PILEHVER	January 30, 2025
Annual Return - 2023 PAF: BEHZAD PILEHVER	May 29, 2024
Annual Return - 2022 PAF: BEHZAD PILEHVER	May 29, 2024
Annual Return - 2021 PAF: BEHZAD PILEHVER	May 29, 2024
Annual Return - 2020 PAF: BEHZAD PILEHVER	May 29, 2024
Annual Return - 2019 PAF: BEHZAD PILEHVER	May 29, 2024
CIA - Notice of Change PAF: BEHZAD PILEHVER	May 29, 2024
Annual Return - 2018 PAF: MAHTAB NALI - DIRECTOR	June 07, 2020
CIA - Notice of Change PAF: MAHTAB NALI - DIRECTOR	January 15, 2019
CIA - Initial Return PAF: NATALIE HAMZEH - OTHER	April 12, 2018
BCA - Articles of Incorporation	April 12, 2018

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APPENDIX E



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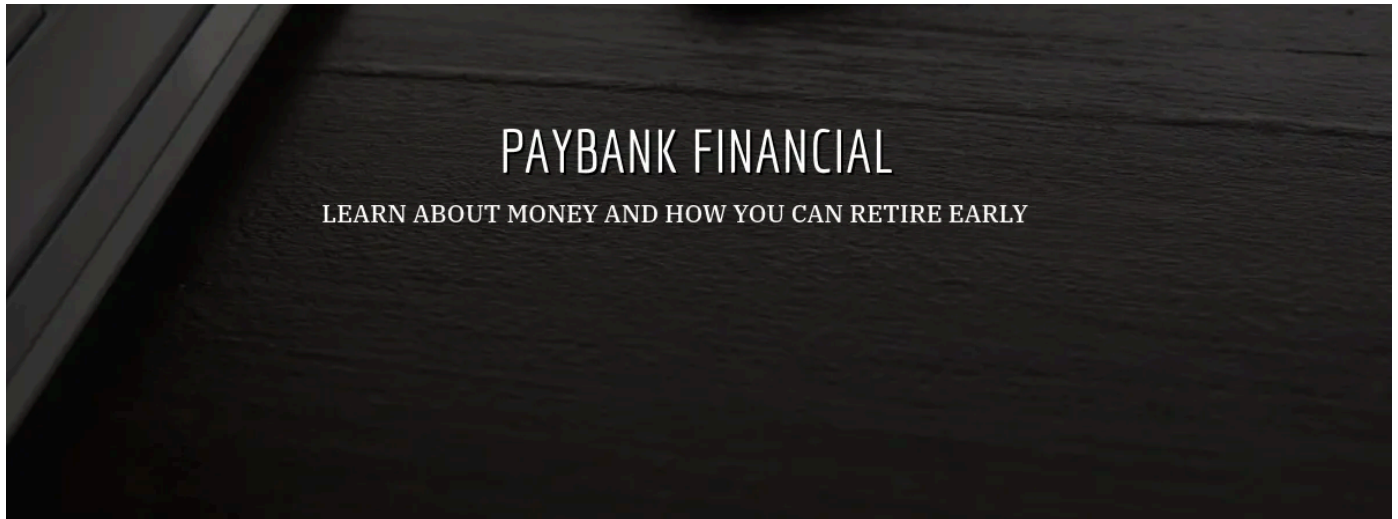


PAYBANK AT A GLANCE





PAYBANK FINANCIAL



Financing the Future with Innovation and Strength

At Paybank Financial, we are redefining the financial services landscape with a commitment to excellence, innovation, and strategic growth. Established in 2016, we aim to empower individuals, businesses, and investors by providing tailored financial solutions to meet their unique needs.

With a proven track record of over \$450 million in funding, we have become a cornerstone of success in Canada's financial and real estate sectors. Discover the future of finance with Paybank —where opportunity meets innovation. Explore our innovative REIT program, learn more about our strategic partnerships, or join our visionary team to help shape a brighter tomorrow.





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Empowering Growth Through Financial Excellence

Since its inception in 2016, Paybank Financial Inc. has emerged as a cornerstone of excellence in the financial services industry, specializing in construction financing, first and second mortgages, and tailored funding solutions. Paybank has been instrumental in bridging the financial gap for clients, offering seamless support ranging from institutional financing to private funding and offshore investments. With an unwavering commitment to innovation and precision, Paybank has fueled the growth of countless projects, navigating intricate market dynamics with unmatched expertise. Trusted by partners worldwide, the company stands as a beacon of resilience and dedication, turning ambitious visions into reality through customized financial excellence.





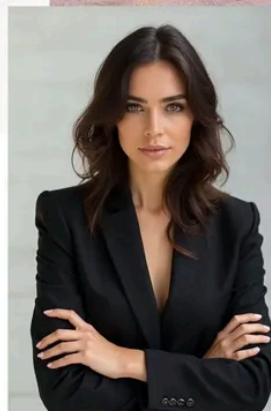
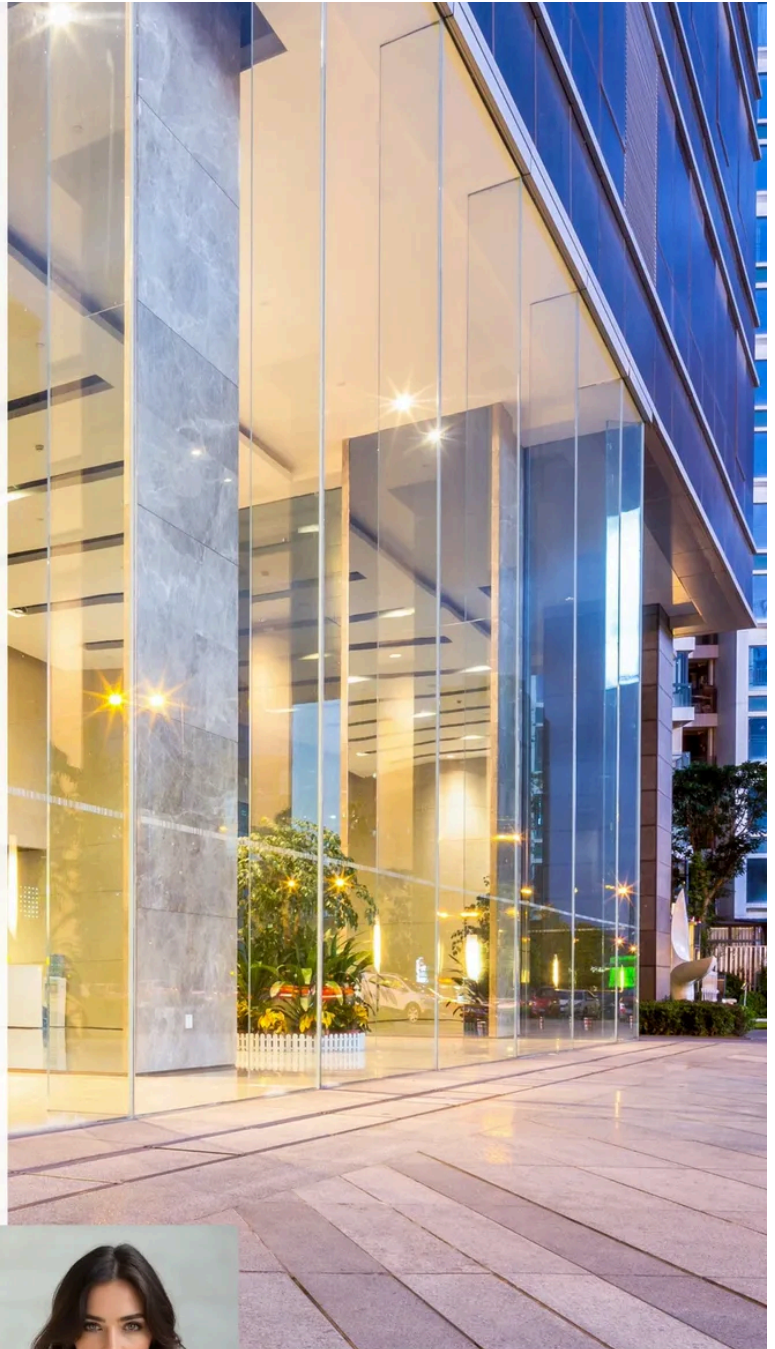
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Paybank Financial

Secure your success with tailored financial solutions. From construction financing to first and second mortgages, private funding, and global investment opportunities, Paybank Financial is your trusted partner in building a brighter tomorrow.

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www.paybank.ca



YOUR TRUSTED PARTNER
LET'S BE IN TOUCH
info@paybank.ca





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funding has been the foundation of our clients' success. Here's how we've made an impact:

- **\$450 Million in Funding Excellence:** Between 2017 and 2022, we provided over \$450 million in financing, leveraging resources from financial institutions, private lenders, and offshore funding.
- **Global Reach, Local Impact:** Our strategic expansion into the UAE has bridged opportunities between Canadian markets and international investors, fostering growth on a global scale.
- **Fueling Ambitious Development:** We proudly support Rozhina Development and Baywood Builders in their mission to achieve \$2 billion CAD in future real estate projects, transforming communities through innovative construction financing.
- **Pioneering New Opportunities:** Securing \$100 million CAD for upcoming projects in the Middle East, we're on track to raise an additional \$100 million CAD through REIT and asset-backed securities programs across Southeast Asia.

At Paybank Financial, we're more than financiers—we're partners in your success. With our expertise, innovative solutions, and steadfast dedication, we'll help you realize your most ambitious goals.

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Attachments (0)

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Better yet, see us in person!

It's never too soon to turn your vision into reality. Share your goals with us, and we'll create a personalized plan to bring them to life. Let's get started!

PAYBANK FINANCIAL SERVICES

50 West Wilmot Street, Richmond Hill, Ontario L4B 1M5, Canada

Hours

Mon 09:00 a.m. – 05:00 p.m.

Tue 09:00 a.m. – 05:00 p.m.

Wed 09:00 a.m. – 05:00 p.m.

Thu 09:00 a.m. – 05:00 p.m.

Fri 09:00 a.m. – 05:00 p.m.

Sat By Appointment

Sun Closed





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BEHIND THE NUMBERS



Behzad Pilehvar





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degree in Civil Engineering.

With a career spanning decades, Behzad has demonstrated exceptional leadership in strategic planning and consulting management. As a strategist and executive advisor, he has collaborated with businesses and government entities to develop and implement innovative solutions that drive organizational growth. His expertise in navigating complex international markets has positioned him as a trusted partner for companies seeking to expand their global footprint.

As a visionary consultant, Behzad Pilehvar combines his engineering acumen with strategic insight to deliver impactful results for his clients, reinforcing his reputation as a leader in

international business strategy and management consulting.

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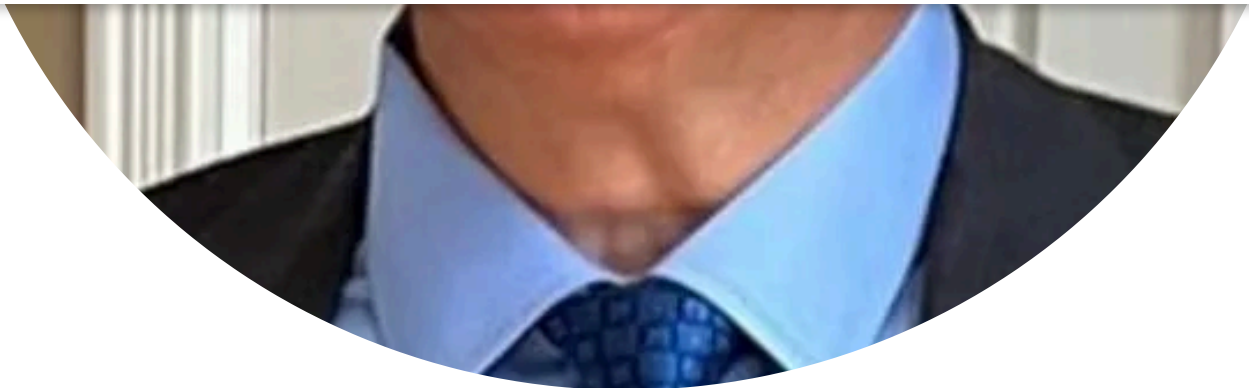
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Ralph Canonaco

Chairman

Bachelor of Arts in Business

Ralph Canonaco is a distinguished leader in real estate development, with expertise in delivering over 6,000 residential units, 1.5 million square feet of high-rise buildings, five master-planned communities, retail plazas, industrial spaces, and urban renewal projects. As Chair of Rozhina Development and Canon Capital, Ralph combines strategic vision with operational excellence to shape thriving communities.

A licensed real estate broker and Tarion-certified builder, Ralph has overseen large-scale projects with a focus on sustainability and innovation. His leadership extends to serving on the Board of





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...entire development process, from deep understanding of the complexities of funding and building has become a driving force behind Paybank's ability to deliver innovative financial solutions. This expertise enables Paybank to empower developers and builders to bring their ambitious projects to life, fostering sustainable growth and community transformation across Ontario.

Ralph's passion for development continues to fuel impactful projects, setting a standard for excellence in real estate and construction financing. His vision and dedication are the foundation of Paybank's mission to support clients in achieving their goals through tailored and strategic financial partnerships.

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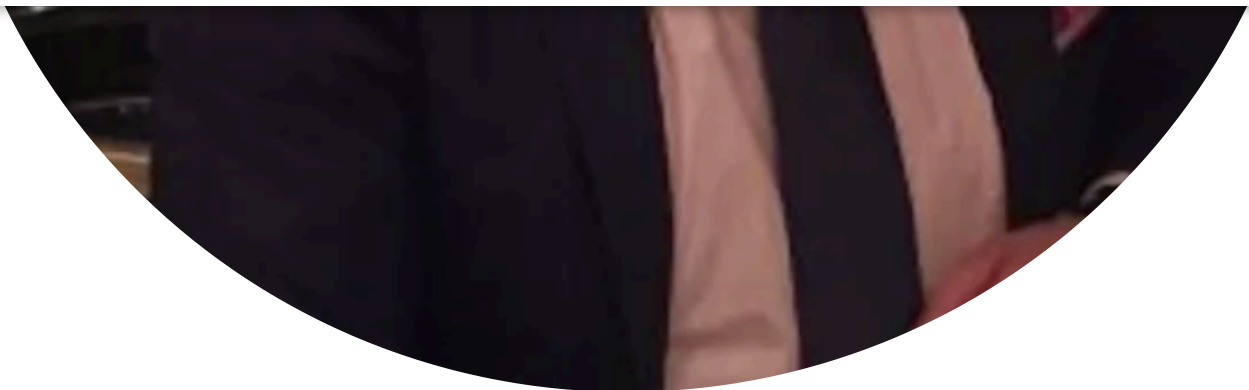
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Paul Pornour

Commercial Mortgage Broker and Financial Advisor BA, Business Administration

Paul Pornour is a seasoned mortgage broker with over 15 years of experience in home financing and real estate investment solutions. Known for his ability to simplify complex financial scenarios,

Paul has helped countless clients achieve their property ownership goals.

Throughout his career, Paul has worked with some of Canada's leading financial institutions including TD Canada Trust, where he gained valuable expertise in navigating the Canadian banking landscape. Between 2017 and 2021, he successfully facilitated over \$300 million in





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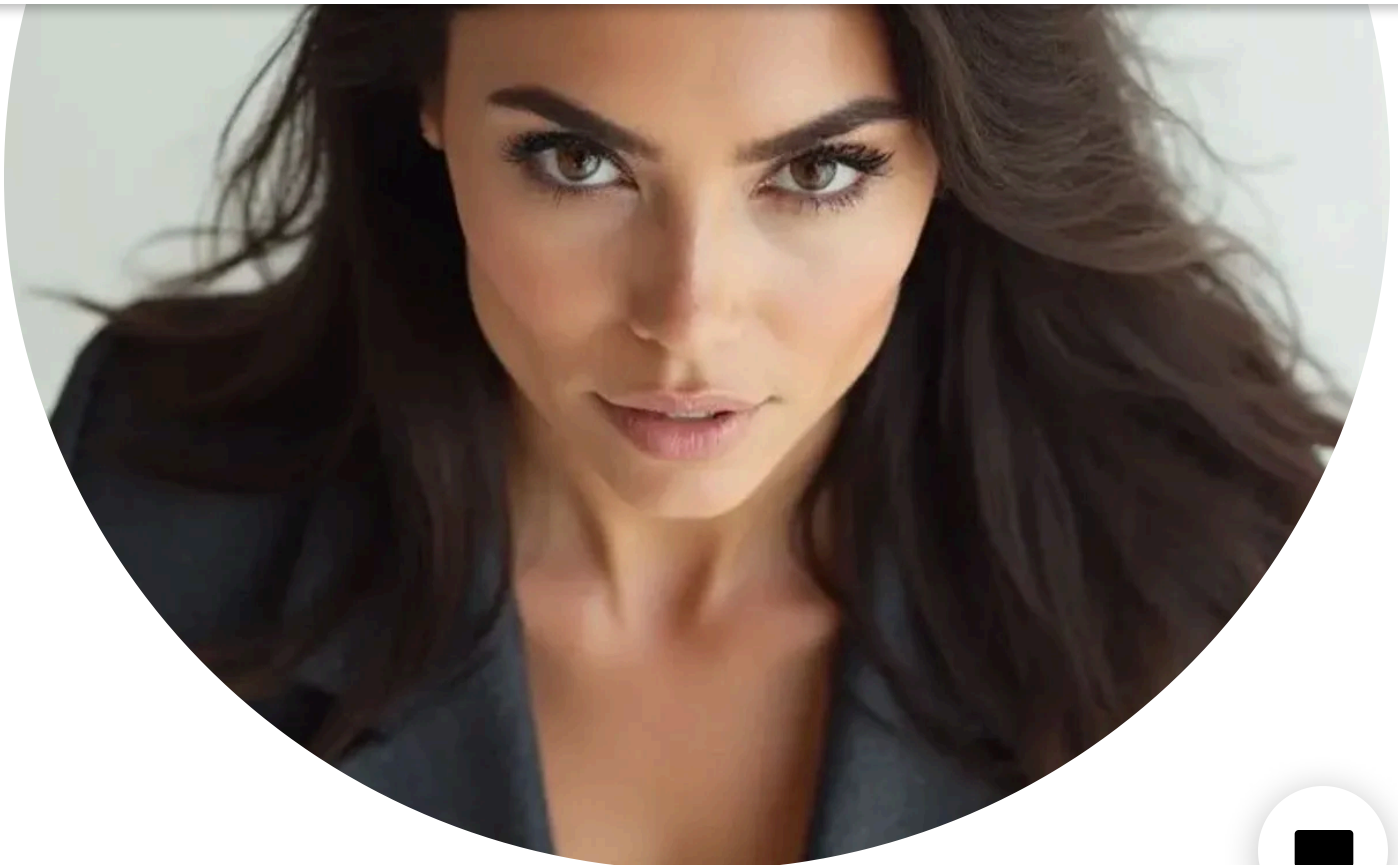
institutions allows him to secure competitive rates, manage refinancing strategies, and provide comprehensive guidance throughout the mortgage process.

Committed to transparency and client success, Paul is a trusted advisor who empowers individuals and businesses to make informed decisions in the real estate and mortgage sectors.

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experience and a BA in Business Administration. Fluent in Farsi, English, Arabic, and Turkish, Sara has worked in Dubai, Turkey, and Cyprus, where she honed her skills in office administration, hospitality, and entertainment industries.

With years of experience as an office clerk and personal assistant, Sara excels in managing complex tasks with precision and efficiency. Her core strengths include negotiation, multitasking, and detailed office management. Sara's professionalism and exceptional public relations abilities enable her to foster strong relationships with colleagues, clients, and stakeholders, making her a valuable team member in any setting.

Sara's expertise in managing diverse responsibilities and her commitment to excellence make her

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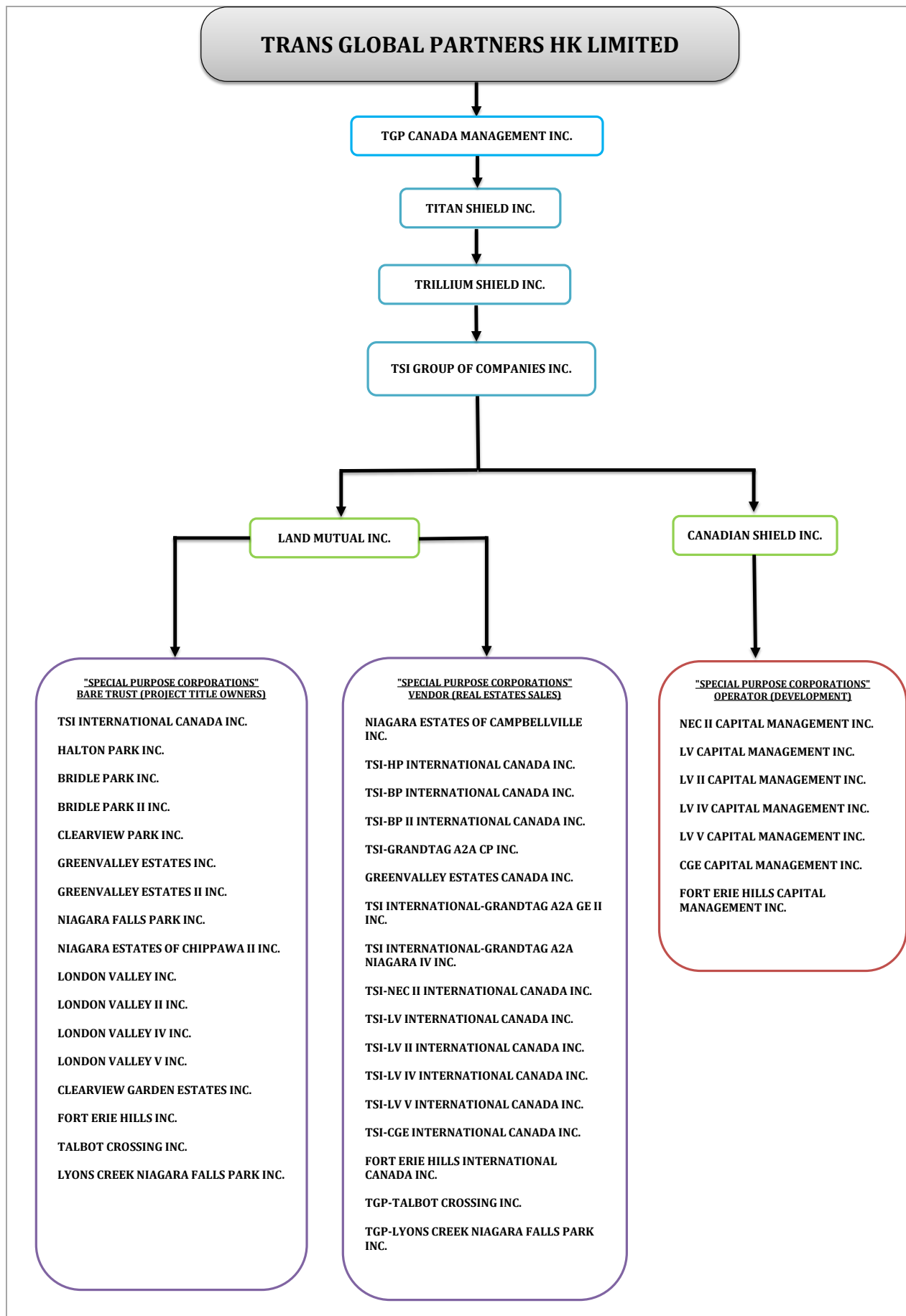
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APPENDIX F

0170
TSI/TGP CORPORATE STRUCTURE (CANADA)

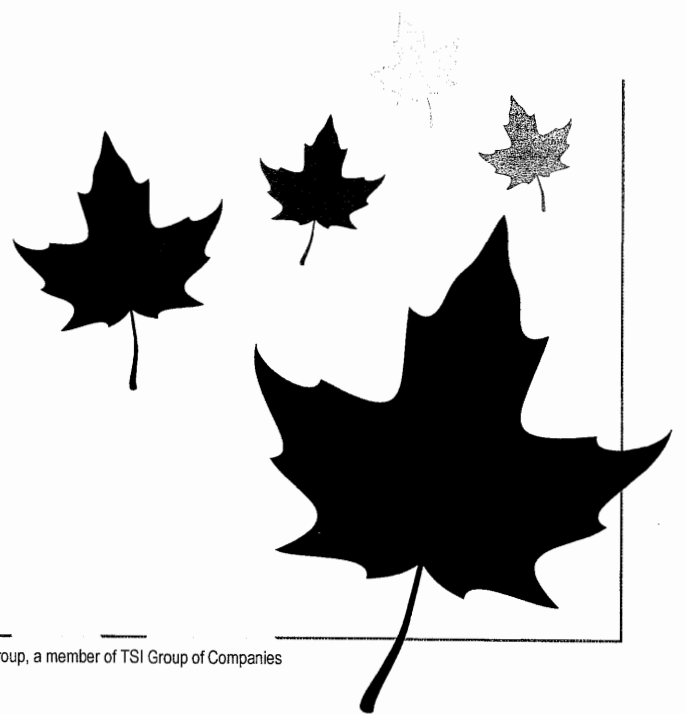


APPENDIX G



LONDON VALLEY IV INC.

HIRONORI KOBAYASHI



AGREEMENT OF SALE AND PURCHASE dated the 13TH day of NOVEMBER, 2013.

BETWEEN

HIRONORI KOBAYASHI,

Identification: DRIVER'S LICENSE (528701029170)

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

Phone Number: 81-776-27-5321

(hereinafter referred to as the "**Purchaser**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,

a corporation incorporated under the laws of the Province of Ontario,

(hereinafter referred to as the "**Vendor**");

-and-

LONDON VALLEY IV INC.,

a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Nominee**")

WHEREAS:

A. The Vendor is the beneficial owner of an undivided interest in a parcel of land described in Schedule "B" annexed to this Agreement (the "**Property**") and title to which Property is registered in the name of the Nominee.

B. The Vendor is engaged in the business of land banking, the prime focus of which is to locate and purchase raw land and to endeavour to rezone the land through the applicable land development process to an approved use determined by the Vendor to be suitable and appropriate in all of the circumstances, and to thereby enhance the value of the land.

C. The Purchaser acknowledges that rezoning of the Property is uncertain and may take many years to achieve, often six years or longer, and that there can be no assurance that rezoning will be obtained, or if obtained, to permit for such use or uses as were requested and/or otherwise on terms and conditions that are satisfactory.

D. The Vendor may from time to time sell undivided beneficial interests in the Property to various purchasers.

E. The Purchaser acknowledges that real estate investments are generally subject to various risks, including a lack of liquidity, the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), conditions of supply and demand for any particular type of real estate in the particular area, government regulations and changes thereto (including uncertainties and delays in zoning, subdivision and development regulatory approval processes, taxation of

property and environmental legislation), changes in governments and the political environment in the jurisdiction where the real estate is located, and sensitivity to interest rates, among other factors.

F. The Purchaser acknowledges having had the opportunity to review this Agreement and its schedules with its advisors and to conduct such due diligence investigations as the Purchaser deemed appropriate with respect to all matters pertaining to the Property and to the Vendor.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. SALE OF UNDIVIDED BENEFICIAL INTEREST IN LAND

1.1 The Purchaser hereby agrees to purchase from the Vendor and the Vendor hereby agrees to sell to the Purchaser a 50/512TH undivided beneficial interest in the Property (the "**Purchaser's Land Interest**").

1.2 The Purchaser's Land Interest will be identified by the following designated identification number: LV IV6-LV IV55

2. . PURCHASE PRICE

2.1 The Purchaser shall pay the aggregate sum of Ten Thousand Dollars of lawful money of Canada (C\$10,000) for each 1/512TH undivided beneficial interest in the Property upon execution of this Sale and Purchase Agreement, of which Nine Thousand Five Hundred Dollars (C\$9,500) of lawful money of Canada will be paid on account of the purchase price for such interest, and Five Hundred Dollars (C\$500) of lawful money of Canada will be paid into a segregated account known as the "Concept Planning Fund" (the "**Concept Planning Fund**") to be used to defray costs, expenses and fees to be incurred in connection with the Property, as more particularly hereinafter described and as described in the Co-Owners Agreement (as such term is hereinafter defined).

2.2 The Purchaser hereby agrees to purchase the Purchaser's Land Interest for a total purchase price of FOUR HUNDRED SEVENTY FIVE THOUSAND DOLLARS ONLY of lawful money of Canada (C\$475,000.00) (the "**Purchase Price**"), and to pay the amount of TWENTY FIVE THOUSAND DOLLARS ONLY of lawful money of Canada (C\$25,000.00) into the Concept Planning Fund (the "**Concept Planning Fund Contribution**"). All references in this Agreement to payments of money being made shall mean lawful money of Canada.

2.3 The Purchase Price excludes applicable harmonized sales tax (the "**HST**") pursuant to the *Excise Tax Act*, R.S.C. 1985, c E-15, as amended (the "**ETA**") and the Purchaser agrees to pay the HST in addition to the Purchase Price and the Concept Planning Fund Contribution, unless the Purchaser has obtained and inserted (or instructed to be inserted) its HST registration number set forth below on the signing page of this Agreement, below its signature, prior to acceptance of this Agreement by the Vendor, in which case the Purchaser hereby represents and warrants that it is a registrant for HST purposes under the provisions of the ETA, under such registration number.

2.4 Included in the Purchase Price and the Concept Planning Fund Contribution, the Purchaser shall be responsible for the payment of land transfer tax ("**LTT**") under

the *Land Transfer Act*, R.S.O., c L.6. as amended (the "**LTTA**"), in the amount of FIVE THOUSAND EIGHT HUNDRED EIGHTY SIX DOLLARS AND SEVENTY CENTS of lawful money of Canada (C\$5,886.70).

2.5 The Purchaser covenants to pay, make and submit all necessary payments, filings and remittances within the time periods required therefor under the provisions of the ETA, if applicable, and the LTTA, and the regulations thereunder. The Purchaser hereby authorizes the Vendor on behalf of the Purchaser and with the Purchaser's funds, to make any and all payments, filings and remittances within the time periods required therefore under the provisions of the ETA relating to HST, if applicable, and under the provisions of the LTTA relating to LTT required to be made by the Purchaser arising from its acquisition of the Purchaser's Land Interest. While the Vendor agrees to assist the Purchaser in submitting such payments, remittances and filings, for greater certainty, nothing herein contained shall oblige the Vendor to make any payments or remittances from its own resources or funds and all such payments and remittances and filings shall be the Purchaser's obligation.

2.6 Funds in the Concept Planning Fund shall be applied towards defraying future costs of every nature and kind related to the Property, including property management costs, costs, fees, and services incurred in connection with planning activities, development submissions, subdivision applications, operational costs and all other activities and matters concerning or related to the Property, as determined by the Operator (as such term is defined in the Co-Owners Agreement) which would be incurred by or on behalf of the Purchaser as a Co-Owner. The Concept Planning Fund is intended to be a deposit account. The Purchaser's proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Purchaser following completion of the sale of the Property. The Purchaser's proportionate share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of the Co-Owners Agreement) will be paid by the Purchaser (in its capacity as a Co-Owner) and deducted from its proportionate share of any sale proceeds receivable by it, if and when the Property is sold or otherwise disposed of.

3. PAYMENT OF THE PURCHASE PRICE

3.1 The Purchaser hereby agrees that the Purchase Price, the Concept Planning Fund Contribution, and all other amounts due and payable hereunder, shall be paid to the Vendor on the Closing Date (as hereinafter defined). Following the Closing Date, the Vendor shall deliver the Concept Planning Fund Contribution to the Operator for deposit into the Concept Planning Fund.

3.2 All payments of the Purchase Price, the Concept Planning Fund Contribution, and such other amounts shall be made through the appointed agent (the "**Vendor's Agent**"), the Vendor's authorised agent and representative in the jurisdiction of residence of the Purchaser, and the Vendor hereby directs the Purchaser to make all such payments to the Vendor's Agent, who is authorised by the Vendor to acknowledge receipt of the Purchase Price and other amounts paid hereunder.

4. CLOSING DATE, DELIVERIES, COSTS, NON-MERGER

4.1 The date on which this Agreement is signed by the Purchaser and is accepted and signed by the Vendor and the Nominee shall be the "**Closing Date**". On the Closing Date, in addition to delivering the Purchase Price and this Agreement, the Purchaser agrees to deliver to the Vendor's Agent a copy of the Co-Owners Agreement signed by the Purchaser.

LV IV6-LV IV55-35637

4.2 Within ninety (90) days after the Closing Date, the Vendor agrees to deliver to the Purchaser the following documents (the "**Closing Documents**"):

- (a) this Agreement, duly executed by the Vendor and the Nominee;
- (b) a Declaration of Trust (as hereinafter defined), duly executed by the Nominee; and
- (c) the Co-Owners Agreement (as hereinafter defined), duly executed by the Nominee and Operator (as therein defined).

4.3 The Vendor shall pay for the cost of drafting and/or settling the Closing Documents. The Vendor shall not be obligated to pay any other costs associated with the purchase of the Purchaser's Land Interest.

4.4 This Agreement shall be irrevocable by the Purchaser for a period of 120 days following its execution and delivery to the Vendor or the Vendor's Agent. This Agreement shall only become binding upon the Vendor and the Nominee following the Vendor and the Nominee having each accepted this Agreement as signified by its respective execution of this Agreement where indicated below.

4.5 All representations, warranties and covenants of the Purchaser as set out in this Agreement shall not merge upon closing but shall survive closing and the Closing Date.

5. VENDOR REPRESENTATIONS AND WARRANTIES

5.1 The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in completing the sale and purchase transaction contemplated in this Agreement:

- (a) the Vendor is the beneficial owner of the Purchaser's Land Interest with good and marketable title thereto, subject to Section 6.1;
- (b) registered title to the Property and beneficial title to the Purchaser's Land Interest shall be good and marketable and clear and free from all mortgages, charges and financial liens on the Closing Date;
- (c) the Vendor has the right, power and authority to sell the Purchaser's Land Interest as contemplated in this Agreement;
- (d) the Vendor is a corporation properly constituted and in good standing under the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (e) the Vendor is not now and on the Closing Date will not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended from time to time.

6. EASEMENTS, LIENS, REGISTERED AGREEMENTS

6.1 Other than any mortgage, charge or financial lien which the Vendor is required to discharge pursuant to this Agreement, registered title to the Property, and beneficial title to the Purchaser's Land Interest, shall be subject to all other liens and encumbrances registered

on title to the Property on the Closing Date or which may be registered against the title to the Property after the Closing Date, including those registered in connection with the rezoning or development process relating to the Property, and including, without limitation, agreements with the applicable municipality or region, agreements with public regulated utilities, easements for the supply of domestic utility or telephone services to the Property or properties which are adjacent to the Property, 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 or its proposed development, other registered restrictions or covenants that run with the lands, and the restrictions and reservations in the Crown patent.

7. PURCHASER(S)' REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 The Purchaser represents and warrants to and covenants in favour of the Vendor as follows:

- (a) there are no liens, mortgages, judgements, executions or other encumbrances, related to or attaching to the Purchaser's Land Interest or any part thereof;
- (b) the Purchaser shall keep the Purchaser's Land Interest and every part thereof free and clear of all liens, mortgages, other encumbrances, judgements or executions. The Purchaser warrants and represents that all such liens, mortgages, judgements, executions other encumbrances, if any, shall be discharged and removed forthwith at the Purchaser's sole cost and expense and the Purchaser shall hold harmless the Vendor and all other beneficial owners of undivided interests in the Property from time to time against any and all claims, liabilities, actions, cause of actions, charges, demands and costs, including solicitors fees in connection therewith; and
- (c) the Purchaser will not register or cause to be registered this Agreement, the Co-Owners Agreement, notice of this Agreement, notice of the Co-Owners Agreement, notice of the Purchaser's Land Interest, or any caution against title to the Property and the Purchaser shall forthwith remove and discharge any such registration at its costs and expense, failing which the Vendor may do so at the cost and expense of the Purchaser.

7.2 The foregoing warranties, representations and covenants of the Purchaser shall not merge on closing but shall survive closing and the Closing Date.

8. PURCHASER(S)' PARTICULARS, NATURE OF VESTING OF BENEFICIAL TITLE

8.1 The Purchaser agrees and confirms that the personal information provided in Schedule "A" annexed hereto is true, accurate and complete and agrees to inform the Vendor in writing forthwith of any change in any of the information therein provided.

8.2 If there is more than one person that comprises the Purchaser, then the Purchaser's Land Interest will be held as joint tenants with right of survivorship unless the box below is initialled by the Purchaser in which case the Purchaser's Land Interest will be deemed to be held as tenants-in-common, in the percentages noted therein.

[] Purchaser elects to hold Purchaser's Land Interest as tenants- in -common and not as joint tenants, as follows: _____ as to _____%,
_____ as to _____%.

9. PRESENT STATE AND CONDITION OF PROPERTY

9.1 The Purchaser hereby agrees that the purchase of the Purchaser's Land Interest is on an "as is, where is basis" with no representations or warranties whatsoever made by the Vendor, other than as expressly set out in this Agreement.

10. TITLE INSURANCE

10.1 The Nominee as registered owner of the Property obtained title insurance upon acquiring the Property (the "**Title Insurance Policy**") in such form and in such amount and with such stipulations, limitations and qualifications respecting coverage as it deemed appropriate.

11. NOMINEE AS BARE TRUSTEE; DECLARATION OF TRUST

11.1 The Purchaser acknowledges that the registered title to the Property is held by the Nominee, as nominee and bare trustee for the Vendor to the extent of its undivided beneficial interest in the Property, and as nominee and bare trustee for others to the extent of their respective undivided beneficial interests in the Property, and that on completion of the transaction herein contemplated the Nominee will hold the registered title to the Property to the extent of the Purchaser's Land Interest as nominee and bare trustee for the Purchaser and others to the extent of their respective undivided beneficial interests in the Property.

11.2 The mailing address of the Nominee for receiving notices shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee may change its mailing address from time to time by giving notice in writing to that effect pursuant to the notice provisions contained in the Co-Owners Agreement.

11.3 The Nominee agrees to execute and deliver to the Purchaser a declaration of trust (the "**Declaration of Trust**") wherein it will confirm that, from and after the Closing Date, it is holding the title to the Property for and on behalf of the Purchaser, to the extent of the Purchaser's Land Interest, in the place and stead of the Vendor.

11.4 The Purchaser acknowledges that the registered title to the Property shall at all times be in the name of the Nominee.

12. NO RIGHT TO USE, OCCUPY OR ACCESS

12.1 The Purchaser agrees that it hereby waives all rights of use, occupation and rights of access to the Property, and any part thereof, in order to facilitate the future rezoning and ultimate subdivision and re-development of the Property, for the benefit of all Co-Owners. The provisions of this Section 12 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

13. CO-OWNERS AGREEMENT

13.1 The Purchaser agrees that concurrent with its execution and delivery of this Agreement, the Purchaser shall execute and deliver the agreement or a counterpart of the co-

owners agreement, a draft copy of which is annexed hereto as Schedule "C" (the "Co-Owners Agreement").

13.2 The Co-Owners Agreement shall govern, amongst other things, the following:

- (a) the rights and obligations of the Purchaser, as owner and any other owners of undivided beneficial interests in the Property;
- (b) any future sale, financing and/or development of the Property;
- (c) procedures for consent and approvals by the Co-Owners (as such term is defined in the Co-Owners Agreement);
- (d) appointing the Operator (as such term is defined in the Co-Owners Agreement) for and on behalf of the Co-Owners;
- (e) the rights and obligations of the Operator of the Property;
- (f) the obligation of the Nominee as registered holder of the title to the Property for an on behalf of the Co-Owners;
- (g) the right to transfer or assign the Purchaser's Land Interest or any part thereof and the terms conditions to be satisfied with respect to any such assignment or transfer; and
- (h) such other matters as are therein contained.

13.3 The Vendor shall not be obligated but shall have the right to retain an undivided beneficial interest in the Property to such extent as it may in its absolute discretion deem appropriate and thus be a co-owner thereof and with respect to such undivided beneficial interest it shall be subject to the terms of the Co-Owners Agreement and entitled to exercise the rights of a Co-Owner.

14. SUBDIVISION CONTROL PROVISIONS

14.1 The Vendor agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and this Agreement shall be effective to create an interest in the Property provided that the provisions of the *Planning Act* (Ontario) are complied with in connection with the transaction of sale and purchase of the Purchaser's Land Interest.

15. NO REPRESENTATIONS, WARRANTIES OR ADVICE

15.1 The Purchaser acknowledges that none of the Vendor, the Nominee, the Vendor's Agent nor anyone acting on its or their behalf has made any representations or warranties except as are expressly set forth in this Agreement or the Co-Owners Agreement, nor given any advice respecting the tax treatment relating to the purchase or disposition of the Purchaser's Land Interest or any part thereof or the Property, nor as to the timing of sale, rezoning or development of the Property nor with respect to any potential or anticipated profit to be derived or derivable from the Purchaser's Land Interest or the Property.

15.2 The Purchaser has been urged and advised to consult with the Purchaser's own respective advisors including legal and tax advisors, with respect to the purchase and other matters pertaining to the Property and the Purchaser's Land Interest and the Closing Documents.

16. SOURCE OF FUNDS

16.1 The Purchaser hereby represents, warrants, confirms and acknowledges that the source of the Purchaser's funds:

- (a) are not derived directly or indirectly from any crime;
- (b) are not linked directly or indirectly to any terrorists or against anti terrorist laws;
- (c) are not embargoed funds; and
- (d) are not obtained in violation of any laws or seeking to escape or avoid any tax laws;

16.2 The Purchaser covenants that all payments and remittances shall strictly comply , at its own expense, with all regulatory or exchange control provisions in force on the Closing Date and applicable to this Agreement.

16.3 The provisions of this Section 16 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

17. NOTICES

17.1 All notices required hereunder shall be in writing and in the English language and may be served either personally upon the parties or by electronic transmission namely by fax or email addressed to the Parties at their respective last known addresses, fax number or email address.

18. HEIRS, ASSIGNS, ETC.

18.1 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs , administrators, executors, successors and permitted assigns; provided that, the Purchaser shall not be entitled to assign this Agreement or any of its rights hereunder without the prior written approval of the Vendor, which approval may be withheld in its absolute discretion.

19. SUPERCEDING AGREEMENT

19.1 This Agreement shall supercede any and all previous discussions, representations, agreements or understandings made by or on behalf of either of the parties hereto for or relating to the purchase and sale of the Purchaser's Land Interest.

20. SCHEDULES

20.1 Schedules "A", "B" and "C" annexed hereto form an integral part of this Agreement and shall be read together with this Agreement.

21. COUNTERPARTS

21.1 This Agreement may be executed in any number of counterparts and by original or facsimile signature with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same Agreement.

22. LAWS AND JURISDICTION-ONTARIO

22.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

23. CAPTIONS

23.1 The captions of the sections of this Agreement are for convenience only and do not amplify or limit in any way the provisions hereof.

24. EFFECT OF PARTIAL INVALIDITY ON THIS AGREEMENT

24.1 In the event that any provision of this Agreement is illegal, void or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

25. FACSIMILE DOCUMENTS

25.1 The parties agree to accept facsimile executed documents, including Closing Documents, as if they were originally signed documents.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SET OUT BELOW.

WITNESSED BY:

DATE OF EXECUTION: 2013-11-13

THE PURCHASER

CHIAKI HAYASHI

Print Name of Witness

HIRONORI KOBAYASHI

Print Name of Purchaser

✓ Chiaki Hayashi

Signature of Witness

Witness Identification Number

Hironori Kobayashi ★

Signature of Purchaser

HST Number:

804960508RT0001

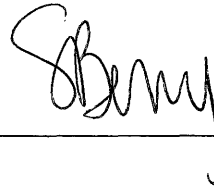
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DATE OF EXECUTION: 2014-1-17

THE VENDOR:

TSI-LV IV INTERNATIONAL CANADA INC.

Per:



Name:

Title:

HST Number: 843 697 772 RT 0001

I/We have the authority to bind the Corporation.

DATE OF EXECUTION: 2014-1-17

THE NOMINEE:

LONDON VALLEY IV INC.

Per:



Name:

Title:

I/We have the authority to bind the Corporation.

SCHEDULE "A" – PURCHASER(S) PARTICULARS

Information Concerning Purchaser(s):

1. PURCHASER:Full Name: HIRONORI KOBAYASHI

() Single () Married () Trustee – Indicate full name of Trust.

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064Home Telephone: 81-776-27-5321 Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: hironori@kobird.co.jpCountry of Birth: JAPAN

The following have been provided to the Vendor:

(✓) Driver's Licence () Passport () Other _____

2. Second or additional person as Purchaser:

Full Name: _____

() Single () Married () Trustee – Indicate full name of Trust.

Address: _____

Home Telephone: _____ Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: _____

Country of Birth: _____

The following have been provided to the Vendor:

() Driver's Licence () Passport () Other _____

SCHEDULE "B" – PROPERTY and NOMINEE

LEGAL DESCRIPTION OF PROPERTY

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

REGISTERED HOLDER OF LEGAL TITLE TO PROPERTY

LONDON VALLEY IV INC.

Office: 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3

Tel No: 1-905-602-7463

Fax No: 1-905-602-7460

SCHEDULE "C" – CO-OWNERS AGREEMENT

UNIT IDENTIFICATION NO. LV IV6-LV IV55**CO-OWNERS AGREEMENT****LONDON VALLEY IV INC.****THIS CO-OWNERS AGREEMENT** is dated the 15TH day of November, 2013.**BETWEEN:****HIRONORI KOBAYASHI,**

Identification: DRIVER'S LICENSE (528701029170)

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

(hereinafter referred to as the "**Purchaser**")

-and-

LONDON VALLEY IV INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Nominee**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Vendor**")

-and-

LV IV CAPITAL MANAGEMENT INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Operator**")

-and-

All other owners of undivided beneficial interests in the Property from time to time
who execute a counterpart of this Agreement(hereinafter collectively referred to as the "**Co-Owners**")**WHEREAS:**

1. Pursuant to a Sale and Purchase Agreement, the Vendor has sold to the Purchaser, and the Purchaser has purchased from the Vendor, an undivided beneficial interest in the Property;
2. The Nominee is the registered owner of the Property and has agreed to hold the Property as nominee and bare trustee for and on behalf of the Co-Owners from time to time;
3. Every purchaser of an undivided beneficial interest in the Property, every assignee of such purchaser, and every assignee of each such assignee, is required to execute and deliver a counterpart of this Agreement and shall be bound as a Co-Owner pursuant thereto; and

LV IV6-LV IV55-35637

4. This Agreement sets forth the provisions which govern the Co-Owners' ownership of undivided beneficial interests in the Property and any future sale, financing and/or development with the Property and their respective undivided beneficial interests therein.

NOW THEREFORE in consideration of the payment of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by each party to the other, the receipt of which is hereby acknowledged, and of the premises and the mutual covenants herein contained, the parties hereto hereby covenant and agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall be deemed to have the following meanings:

- (a) **"ASPE"** shall have the meaning ascribed thereto in Section 16 of this Agreement;
- (b) **"Additional Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (c) **"this Agreement"**, **"hereof"**, **"herein,"** **"hereunder"** and words to like effect, refer to this Co-Owners Agreement as a whole and not to any particular provision, as it may be amended, supplemented and/or restated from time to time;
- (d) **"Business Day"** means any day of the week other than a Saturday, Sunday or a day which is a statutory holiday, in Ontario, Canada;
- (e) **"Concept Planning Fund"** shall have the meaning ascribed thereto in Section 18 of this Agreement;
- (f) **"Co-Owners"** means the owners from time to time of Interests and who have signed a counterpart of this Agreement, and shall include the Purchaser, as well as the Vendor to the extent that it retains any Interest, and **"Co-Owner"** means any of the Co-Owners;
- (g) **"Co-Owners Record"** has the meaning ascribed thereto in Section 11 of this Agreement;
- (h) **"CRA"** means the Canada Revenue Agency, established pursuant to the *Canada Revenue Agency Act*, S.C. 1999, c. 17, which administers tax laws of Canada, including under the *Income Tax Act*, for the Government of Canada;
- (i) **"Declaration of Trust"** means the declaration of trust executed by the Nominee concurrently with the completion by a Co-Owner of the purchase from the Vendor of an Interest and pursuant to which the Nominee declares and confirms that it holds registered title to the Property in trust for and on behalf of such Co-Owner, to the extent of such Co-Owner's respective Interest. For greater certainty, **"Declaration of Trust"** includes the declaration of trust executed by the Nominee upon the completion by a Co-Owner of the Transfer of an Interest to a transferee in accordance with the provisions of this Agreement, and includes the declaration of trust executed by the Nominee in favour of the Vendor at the time of its acquisition of the Property;
- (j) **"Designated Person"** shall have the meaning ascribed thereto in Section 10 of this Agreement;

- (k) **"Dispute"** shall have the meaning ascribed thereto in Section 31 of this Agreement;
- (l) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), as amended from time to time, including the regulations made pursuant thereto;
- (m) **"HST"** means the harmonized sales tax payable pursuant to the *Excise Tax Act*, including the Province of Ontario's portion thereof;
- (n) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended from time to time, including the regulations made pursuant thereto;
- (o) **"Initial Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (p) **"Interest"** means the undivided beneficial interest in the Property purchased by a Co-Owner pursuant to a Sale and Purchase Agreement, and includes any undivided beneficial interest in the Property continued to be owned by the Vendor, and **"Interests"** means every Interest;
- (q) **"Land Transfer Tax Act"** means the *Land Transfer Tax Act*, R.S.O. c.L.6, as amended;
- (r) **"LTT"** means the land transfer tax payable pursuant to the *Land Transfer Tax Act*;
- (s) **"Net Income"** shall have the meaning attributed thereto in Section 6(j) of this Agreement;
- (t) **"Notice Requisitioning an Ordinary Resolution"** shall have the meaning attributed thereto in Section 8 of this Agreement;
- (u) **"Notice Requisitioning a Special Resolution"** shall have the meaning attributed thereto in Section 10 of this Agreement;
- (v) **"Offer"** shall have the meaning attributed thereto in Section 19 of this Agreement;
- (w) **"Operator"** means LV IV Capital Management Inc., or the Designated Person that may be appointed as the Operator's replacement as determined in accordance with Section 10 of this Agreement;
- (x) **"Ordinary Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 51% of the aggregate Interests in the Property;
- (y) **"Planning Activities"** means the reports, plans, studies, audits, assessments, investigations, legal proceedings, procedures, filings, submissions, applications and/or any other actions taken or made in respect of or in furtherance of the rezoning of, or other land use planning matters related to, the Property;
- (z) **"Property"** means the real property legally described on Schedule "1" annexed hereto;
- (aa) **"Retained Interest"** shall have the meaning attributed thereto in Section 23 of this Agreement;
- (bb) **"Sale and Purchase Agreement"** means the agreement of sale and purchase, or an agreement substantially in the form of the agreement of sale and purchase, entered into

between the Vendor, as vendor, and each Co-Owner (other than the Vendor), as purchaser, pursuant to which each Co-Owner agreed to acquire its respective Interest in the Property. **"Sale and Purchase Agreements"** means every Sale and Purchase Agreement;

(cc) **"Special Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 85% of the aggregate Interests in the Property;

(dd) **"Transfer"** shall have the meaning ascribed thereto in Section 11 of this Agreement; and

(ee) **"Vendor"** means TSI-LV IV International Canada Inc.

2. INTERPRETATION

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the division of this Agreement into Articles, paragraphs, subparagraphs and schedules and the insertion of headings are provided for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(b) all references to currency herein are references in Canadian dollars;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

(d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;

(e) all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.

3. TITLE

Legal title to the Property shall be held in the name of the Nominee, which shall hold such title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Vendor, to the extent of its Retained Interest, if any.)

4. MAILING ADDRESSES

The mailing address of the Nominee, the Vendor and the Operator shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee, the Vendor and/or the Operator may change its mailing address from time to time by giving notice in writing to that effect to all Co-Owners, pursuant to the notice provisions contained in this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF THE NOMINEE AND OPERATOR

- (a) The Nominee represents and warrants to each of the Co-Owners that:
- (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite power, capacity and corporate authority to act as nominee and to perform its obligations under this Agreement;
 - (iii) it shall not carry on any business other than for the purposes set forth in this Agreement;
 - (iv) it holds and shall continue to hold legal title to the Property as nominee and bare trustee for and on behalf of each Co-Owner to the extent of each Co-Owner's Interest; and
 - (v) it shall only deal with the Property in the manner and as provided for in this Agreement.
- (b) The Operator represents and warrants to each of the Co-Owners that:
- (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite capacity and corporate authority to act as Operator, and to perform its obligations under this Agreement; and
 - (iii) it shall comply with its obligations as provided for in this Agreement.

6. OPERATION AND MANAGEMENT OF THE PROPERTY

The Co-Owners hereby appoint the Operator and the Operator hereby accepts the appointment as the operator and manager of the Property and agrees to undertake such Planning Activities as the Operator may determine in its discretion, acting reasonably, are required to rezone the Property to such use or uses as the Operator shall determine, acting reasonably, and in the best interest of the Co-Owners. The Operator agrees to carry out such Planning Activities and to operate and manage the Property in good faith and in the best interest of the Co-Owners. The Operator agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and to proceed diligently to make all necessary applications to rezone the Property to such use or uses as the Operator shall determine, in its reasonable discretion, and to use its reasonable commercial efforts, at the cost and expense of the Co-Owners, with such costs to be defrayed out of the Concept Planning Fund initially, to obtain all necessary approvals and consents from applicable governmental authorities in connection therewith. Subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have such general powers and authority to administer, manage, control, operate, finance, refinance, develop, lease, grant easements and other rights in, under and over, the Property and to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement, affidavit or document necessary for or incidental to any of the foregoing, for and on behalf and in the name of the Co-Owners, or as the Co-Owners may so direct by Special Resolution. No person dealing with the Operator

will be required to enquire into the authority of the Operator to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf or in the name of the Co-Owners.

Without limiting the generality of the foregoing provisions of this Section 6, but subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have the following specific powers and authorities without further authority or approval from the Co-Owners:

- (a) to engage such professional advisers and consultants as the Operator considers advisable in order to perform its duties hereunder;
- (b) to open and operate one or more bank accounts in its name, as agent for the Co-Owners in respect of the Property with a Canadian chartered bank or trust company, into which the Operator may deposit all rentals, if any, and other income earned from the Property (if any) (which for greater certainty shall not include the Concept Planning Fund), and out of which account(s) all expenses properly relating to the Property shall be paid, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of such funds to cover all such expenses;
- (c) to execute, deliver and carry out all other agreements which require execution by or on behalf of the Co-Owners with respect to the Property, including without limitation, any agreements required by any governmental or statutory authority having jurisdiction over or with respect to the Property, development agreements, site plan agreements, cost sharing agreements, easements and rights of way;
- (d) to enter into lease and/or tenancy arrangements in respect of the Property or any part thereof and to collect all rentals and other income therefrom, if any, provided that nothing herein shall constitute a guarantee by the Operator of the payment of any rent by tenants;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Property out of the Concept Planning Fund, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of funds to cover all such expenses;
- (f) to commence or to defend on behalf of the Co-Owners, the Nominee, or itself, any and all actions and other proceedings pertaining to the Property or to the Co-Owners;
- (g) to determine the amount and type of insurance coverage, if any, to be maintained in order to protect the Property and the Co-Owners from all usual perils of the type covered in respect of comparable properties and in order to comply with the requirements of any lenders of funds;
- (h) to retain, employ and pay and discharge on behalf of the Co-Owners all servants, employees, advisors, consultants and/or contractors necessary to be retained for the management and operation of the Property, including, without limitation, for matters relating to its rezoning and development;
- (i) to contract on behalf of the Co-Owners for water, gas, electricity and other utility services and commodities, including cable and telephone services necessary for the development, operation and maintenance of the Property; and

(j) to distribute the Net Income from the ownership, operation, use, financing, refinancing, and/or sale of the Property (if any) to each Co-Owner, proportionate to its respective Interest. For the purposes of this Agreement, "**Net Income**" shall mean the gross receipts (which, for greater certainty, shall not include the Concept Planning Fund) derived in any way from dealing with the Property, received by or on behalf of the Co-Owners from the ownership, operation, use, leasing, financing, refinancing, sale of, and/or development and/or any other dealing with of the Property, minus the aggregate of all proper expenses and charges incurred in connection therewith, calculated on an accrual basis, including:

- (i) payment of principal and interest owing to mortgagees or other encumbrancers, or other lenders;
- (ii) realty taxes, property tax assessments, charges or levies made by any duly constituted governmental or statutory authority, due and owing and secured by a right or apparent right to claim a lien or charge upon the Interests, or any of them, or the Property, and money due and owing from improvements to the Property secured by a lien or charge in favour of materialmen or workmen or trade contractors or other like persons or corporations upon the Interests, or any of them, or the Property;
- (iii) all costs and expenses of any sale, financing or refinancing;
- (iv) all development costs and expenses;
- (v) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
- (vi) lighting, electricity and public utilities costs and expenses;
- (vii) professional fees reasonably attributed to the Property, its operation, use, financing, refinancing, sale and/or development;
- (viii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-Owners on account of capital or distribution of Net Income; and
- (ix) reserves in such amount as deemed appropriate by the Operator from time to time, including without limitation for the purposes of replacement of major equipment, major renovations and repairs, leasehold improvements, marketing costs and any other reserves normally required for the prudent operation, use, financing, refinancing, sale and/or development of a like property.

Each Co-Owner shall have a proportionate beneficial interest in all of the gross cash receipts derived from the Property and shall be responsible for its proportionate share of the expenses and charges incurred in connection with the Property, in each case proportionate to its respective Interest. Each Co-Owner hereby irrevocably directs the Operator to pay its proportionate share of such expenses and charges out of its proportionate share of such gross cash receipts, as well as out of the Concept Planning Fund.

Each Co-Owner hereby confirms and acknowledges that neither the Operator nor any of its officers, directors, employees, advisors, consultants, agents or representatives has made any warranty or representation, or given any advice:

(k) as to or in respect of the tax treatment of the purchase, disposition or holding of the Interest by a Co-Owner; or

(l) as to the timing of the rezoning or sale or development of the Property or the returns attainable by the Co-Owners upon a sale or lease of or other dealing with the Property.

Each Co-Owners acknowledges that he has been advised to seek his own independent legal and tax counsel prior to entering into a Sale and Purchase Agreement and this Agreement.

7. AUTHORITY TO WITHHOLD

The Operator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-Owner pursuant to the provisions of the *Income Tax Act* and to make payment of any such amount on behalf of a Co-Owner to the CRA, on account of taxes as may be required by law.

8. POWERS EXERCISABLE BY ORDINARY RESOLUTION

Notwithstanding anything to the contrary contained in this Agreement, the following powers shall only be exercisable by the Operator after an Ordinary Resolution is passed by the Co-Owners:

- (a) approving the sale or exchange of all or any part of the Property (other than the sale of Interests by the Operator pursuant to Sale and Purchase Agreements);
- (b) approving a proposal or plan to develop the Property;
- (c) subject to Section 17, consenting to the amendment of this Agreement, provided that, no amendment to this Agreement shall impose or increase any financial or other obligations upon any of the Nominee of the Operator, or in any way adversely affect the Nominee or the Operator, without the prior written approval of the Nominee or the Operator, as the case may be;
- (d) approving or ratifying the making of an Additional Advance by the Operator, in accordance with Section 18; or
- (e) requiring that the financial statements for the Property be audited.

Other than a matter which under the terms of this Agreement requires a Special Resolution, the Operator may at any time and from time to time by notice in writing to all Co-Owners substantially in the form annexed hereto as Schedule "2" (the "**Notice Requisitioning an Ordinary Resolution**") request the Co-Owners to consider and approve any matter relating to the Property not requiring a Special Resolution. The Notice Requisitioning an Ordinary Resolution shall specify with reasonable detail the matter to be approved by the Co-Owners.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution. If the Operator fails to deliver such Notice Requisitioning an Ordinary Resolution within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or a group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the

Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution which the Operator failed to deliver within the time provided in this Section 8 for the Operator to do so.

9. POWERS EXERCISABLE BY SPECIAL RESOLUTION

The following powers shall only be exercisable by Special Resolution passed by the Co-Owners:

- (a) terminating the appointment of the Operator and appointing a new Operator from time to time, in accordance with the provisions of Section 10;
- (b) instituting or continuing an action or suit against the Operator for damages based upon the fraud or gross negligence of the Operator in the performance of its obligations under this Agreement;
- (c) requiring the Operator to remove the incumbent independent firm of chartered accountants qualified in Canada appointed pursuant to Section 16 and requiring the Operator to appoint a replacement; or
- (d) appointing a replacement for the Nominee in the event that the Nominee should be wound up or dissolved or be declared a bankrupt, such replacement to hold legal title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Operator if it retains any Retained Interest.)

10. CONTROL AND AUTHORITY VESTS WITH CO-OWNERS

The Co-Owners may by Special Resolution terminate and remove the Operator (in its capacity as Operator and not as a Co-Owner) and appoint a new Operator in its place and stead. Such new Operator shall be bound by all of the terms of this Agreement and shall execute an agreement confirming that it is bound under this Agreement as if it was an original signatory thereto.

Upon termination, the Operator terminated shall forthwith upon request of the person designated in the Special Resolution as the replacement Operator (the "**Designated Person**") do the following:

- (a) deliver all agreements, documents, instruments, books and records and writings relating to the Property in its possession to the Designated Person, including, without limitation, the Co-Owners Record;
- (b) execute and deliver such consents, acknowledgements and assignments pertaining to the Property and any Planning Activities as the Designated Person may require;
- (c) cause its representatives on the board of directors of the Nominee to execute resignations as directors and officers forthwith after being required to do so by the Designated Person, provided the Nominee shall continue to indemnify such directors and officers in accordance with its by-laws in existence at the date hereof;
- (d) execute and deliver a release in form and content satisfactory to the Designated Person, acting reasonably, releasing the Nominee and the Co-Owners from any liability, provided that: (i) the release by the Operator shall not release the Co-Owners from their obligation to continue to indemnify the Operator pursuant to Section 21 hereof; and (ii) the

Operator receives a release in form and content satisfactory to the Operator, acting reasonably, executed by the Nominee and by the Designated Person for and on behalf of itself and each of the Co-Owners, releasing the Operator from any liability, and the Co-Owners expressly acknowledge and agree that the Designated Person shall have the power and authority to deliver such release, without any further approval or authorization required from the Co-Owners;

(e) do all things necessary and execute all necessary documents to effect the change of shareholders of the Nominee as directed by the Designated Person; and

(f) otherwise co-operate and assist to carrying out and giving effect to each of the actions set out in Section 10(a), (b), (c), (d) and (e) above.

The Operator may at any time and from time to time by notice in writing, substantially in the form annexed hereto as Schedule "3" (the "**Notice Requisitioning a Special Resolution**") to all Co-Owners, request the Co-Owners to consider and approve any matter relating to the Property requiring a Special Resolution pursuant to the terms of this Agreement. The Notice Requisitioning a Special Resolution shall specify with reasonable detail the matter to be considered and approved by Special Resolution.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning a Special Resolution with respect to any matter relating to the Property, including any matter requiring a Special Resolution pursuant to this Agreement. If the Operator fails to deliver such Notice Requisitioning a Special Meeting within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the Notice Requisitioning a Special Resolution which the Operator failed to deliver within the time provided in this Section 10 for the Operator to do so.

11. CO-OWNERS RECORD AND TRANSFERS OF INTEREST

The Operator shall record and at all times maintain and keep up to date a record of the names, addresses and other contact information for the Co-Owners, and the Interest held by each of the Co-Owners as well as particulars of any Transfer of Interests (collectively, the "**Co-Owners Record**").

No Co-Owner shall sell, transfer, assign, mortgage, pledge, grant a security interest or otherwise encumber or dispose of its Interest in the Property (each, a "**Transfer**"), except in compliance with any applicable requirements of the *Securities Act* (Ontario) and any other applicable legislation and otherwise in accordance with the provisions of this Agreement, if and to the extent required.

A Co-Owner may Transfer an Interest or part thereof provided that such Co-Owner complies and satisfies each of the following conditions:

(a) the transferor first delivers to the Operator an original or notarial copy of the executed document or instrument effecting the Transfer which shall be in such form as may be acceptable to the Operator, acting reasonably;

(b) the transferee agrees in writing and in such form as may be acceptable to the Operator, to be bound by the terms of this Agreement and upon completion of the Transfer to

assume the obligations of the transferor under this Agreement in respect of the Interest subject to the Transfer;

- (c) the transferor delivers or causes to be delivered to the Operator a direction addressed to both the Nominee and the Operator, in form and substance satisfactory to the Operator and the Nominee, directing the Nominee to execute and deliver a Declaration of Trust for the Interest subject to the Transfer in favour of the transferee;
- (d) the transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Operator by reason of the Transfer;
- (e) the transferee pays all applicable HST pursuant to the *Excise Tax Act*, and all applicable LTT pursuant to the *Land Transfer Tax Act*, and makes or causes to be made any and all necessary filings, payments and remittances within the time periods required therefor under the provisions of the *Excise Tax Act* and the *Land Transfer Tax Act* and the respective regulations thereunder;
- (f) the transferor either provides the transferee with evidence reasonably satisfactory to the transferee that the transferring Co-Owner is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* or provide the transferee with a certificate pursuant to subsection 116(2) of the *Income Tax Act* with a certificate limit in an amount not less than the purchase price for the Interest subject to the Transfer; provided that if such evidence or certificate is not forthcoming, the transferee shall be entitled to make the payment of tax required under section 116 of the *Income Tax Act* and to deduct such payment from the purchase price for the Interest subject to the Transfer;
- (g) the transferee executes and delivers to the Operator a counterpart of the Agreement; and
- (h) the transferor provides such other documents, agreements, acknowledgements and confirmations as may be required by the Operator or by law (including compliance by the transferring Co-Owner with the provisions of the *Securities Act* (Ontario) if and to the extent applicable).

When a transferee of an Interest is entitled to become a Co-Owner pursuant to the provisions hereof, the Operator will:

- (i) record a Transfer of the Interest; and
- (j) forward a Declaration of Trust to the transferee in respect of the Interest so transferred.

For the avoidance of doubt, a Transfer by Co-Owner may include a transfer into trust, in which case the terms "sale and purchase agreement", "Purchaser", "purchase", "purchased", and "sale", wherever such terms appear in this Agreement, shall be read so as to recognize that such Transfer is not a purchase and sale transaction between a Co-Owner and a purchaser but a transaction in the nature of a transfer into trust by the transferring Co-Owner to a trustee. Nothing in this Section 11 shall be construed to affect the provisions of Section 12 of this Agreement.

12. OPERATOR NOT BOUND TO SEE TO TRUST OR EQUITY

Other than pursuant to the terms of the Declaration of Trust, the Operator shall not be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any Interest is subject, or to ascertain or inquire whether any sale or transfer of any such Interest by any Co-Owner or by his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded by the Operator as the Co-Owner.

13. INCAPACITY, DEATH, INSOLVENCY OR BANKRUPTCY

Where a person becomes entitled to an Interest by incapacity, death, insolvency or bankruptcy of a Co-Owner or otherwise by operation of law, in addition to the requirements of Section 11 hereof, that person will not be recorded as or become a Co-Owner until:

- (a) he produces evidence satisfactory to the Operator of such entitlement; and
- (b) he has delivered such other evidence, approvals and consents in respect of such entitlement as the Operator may require and as may be required by applicable law or by this Agreement.

14. DECLARATIONS OF TRUST

A separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of a Co-Owner to the extent of the Co-Owner's Interest. Provided that the Transfer of an Interest has been effected in accordance with the provisions of Section 11 of this Agreement, a separate Declaration of Trust shall be executed and delivered by the Nominee to each transferee Co-Owner of an Interest from a transferring Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of the transferee Co-Owner to the extent of such Co-Owner's Interest.

15. LOST DECLARATIONS OF TRUST

Where a Co-Owner by notice in writing advises the Operator that the Declaration of Trust with respect to such Co-Owner's Interest has been defaced, lost or destroyed or wrongly taken, the Operator may cause a new Declaration of Trust to be issued, provided that the Co-Owner files with the Operator an indemnity in such form as is satisfactory to the Operator to indemnify the Operator, the Nominee and the other Co-Owners from any loss, cost, liability or damages that it or they may incur or suffer by complying with the request to issue a new Declaration of Trust, and provided further that the Co-Owner satisfies all other reasonable requirements of the Operator, including delivery of a form of proof of loss.

16. BOOKS AND RECORDS AND FINANCIAL REPORTS

The Operator will keep or cause to be kept on behalf of the Co-Owners at the Operator's principal place of business in Ontario:

- (a) full and accurate books of account and records of all financial transactions relating to the Property including, without limitations, the receipts and expenditures relating to the Property and the Concept Planning Fund;
- (b) the Co-Owners Record setting out the name and address of each Co-Owner; and
- (c) copies this Agreement and all counterparts.

At any time upon 10 Business Days written notice to the Operator a Co-Owner may request the Operator to examine any of the documents noted in clauses (a) and (b) above at the office of the Operator and may take copies thereof provided that such requesting Co-Owner pays the reasonable cost to the Operator for making such copies, provided further that any such requesting Co-Owner shall have first provided an affidavit and undertaking, in form and substance satisfactory to the Operator, acting reasonably, duly sworn before a notary public or other individual authorized to administer oaths in the jurisdiction of residence of the

Purchaser, stating: (aa) the name and address of such requesting Co-Owner, and that the Co-Owner is a Co-Owner; (bb) that the Co-Owners Record shall not be used by the requesting Co-Owner or any other person except in connection with a *bona fide* effort to influence the voting by Co-Owners on an Ordinary Resolution or a Special Resolution; (ccc) that the information so provided is subject to applicable privacy rules and regulations; (ddd) that none of the information provided pursuant to clause (a) above shall be disclosed by or on behalf of the requesting Co-Owner to any person who is not a Co-Owner, that such information is proprietary to the Operator and the Co-Owners, and that its disclosure could cause irreparable harm to the other Co-Owners and the Operator; (eee) that the requesting Co-Owner will not, directly or indirectly, offer for sale or purchase, or otherwise traffic in, a list or copy of a list of the Co-Owners or any information contained in the Co-Owners Record; (fff) the requesting Co-Owner acknowledges and agrees that in the event of a breach of any of the covenants, provisions and restrictions in affidavit, the Co-Owners' and Operator's remedy in the form of monetary damages may be inadequate and that the Operator, for itself and on behalf of the other Co-Owners, shall be authorized and entitled, in addition to all other rights and remedies available to it and them, to apply for and obtain from any court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach; and (ggg) that the requesting Co-Owner shall indemnify and hold harmless the Operator and the Nominee and the other Co-Owners from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee or the other Co-Owners by reason of any breach by such requesting Co-Owner of any of the covenants, provisions and restrictions contained in the affidavit.

The Operator shall provide or cause to be provided to each Co-Owner not later than 120 days after the end of each calendar year, financial statements showing the financial results for the Property for such calendar year. The Operator shall retain, at the expense of the Co-Owners, an independent firm of chartered accountants qualified in Canada to prepare such financial statements. Such financial statements shall contain a balance sheet, and a statement of cash flows and shall be prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") applicable to the real estate industry in Canada and applied on a consistent basis from year to year. The financial statements shall not be required to be audited unless the Co-Owners by Ordinary Resolution require audited financial statements. For greater certainty, the funds in the Concept Planning Fund are hereby recognized as being the funds of the Operator, not of the Co-Owners.

17. AMENDMENT OF AGREEMENT

This Agreement may be amended in writing on the initiative of the Operator with the consent of the Co-Owners given by Ordinary Resolution. Notwithstanding the foregoing, the Operator may, without any prior notice to or consent from the Co-Owners amend any provision of this Agreement from time to time:

- (a) to cure an ambiguity or to correct or supplement any provision contained herein which, in the reasonable opinion of the Operator, may be defective or inconsistent with any other provision contained herein, and with respect to which the cure, correction or supplemental provision does not and will not adversely affect the Interests of the Co-Owners; or
- (b) to make such other provisions in regard to matters or issues relating to or arising under this Agreement which, in the reasonable opinion of the Operator, do not and will not adversely affect the Interests of the Co-Owners.

The Operator agrees to inform the Co-Owners by written notice within 60 days following the effective date of an amendment to this Agreement and provide copies of the amending agreement within the said 60 days.

18. PLANNING ACTIVITIES AND CONCEPT PLANNING FUND

As agent for the Vendor, the Operator shall deposit an amount equivalent to the Concept Planning Fund Contribution (as such term is defined in each Sale and Purchase Agreement) received by the Vendor under every completed Sale and Purchase Agreement into a single, segregated account (the "**Concept Planning Fund**") to be in the name of the Operator and to be used by the Operator solely for the purpose of paying the costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities, and those costs and expenses enumerated in Section 6(j) of this Agreement.

The Concept Planning Fund is intended to be a deposit account. Each Co-Owner's respective proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Co-Owner following completion of the sale of the Property. Each Co-Owner's share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of this Agreement) will be paid by the Co-Owner and deducted from his proportionate share of any sale proceeds receivable by him, if and when the Property is sold or otherwise disposed of. Each Co-Owner hereby irrevocably authorizes and directs the Operator to withhold from his proportionate share of any amounts otherwise receivable by it under this Agreement the amount of any such shortfall, and to pay such amount to the Operator.

The Operator shall keep proper and accurate records and details of all expenses paid out of the Concept Planning Fund, and at the request of the Vendor, provide access to the Vendor's representatives to such records and details of expenses to permit the Vendor to satisfy itself that such expenses were paid in accordance with the provisions of this Agreement.

The Operator shall prepare, perform and take or cause to be prepared, performed and taken all Planning Activities as it determines in its reasonable discretion are necessary for and on behalf of the Co-Owners including, without limitation, the following:

- (a) surveys and concept plans in connection with the rezoning of the Property;
- (b) in the reasonable discretion of the Operator, engage all consultants and professionals including, without limitation, legal counsel with respect to rezoning of the Property or any other Planning Activities;
- (c) enter into or request the Nominee to enter into and deliver any documents, consent, acknowledgements or agreements including, without limitation, easements, rights in the nature of an easement, transfers, undertakings, applications, appeals and/or any other similar or related agreements or documents which may be required in the reasonable discretion of the Operator in connection with the Planning Activities;
- (d) pay for all costs and expenses associated with Planning Activities, municipal property taxes and the cost of maintaining the Property, out of the Concept Planning Fund, and if insufficient, out of additional funds provided by the Co-Owners; and
- (e) keep detailed records and accounts for or pertaining to the Planning Activities.

If the amount set aside in the Concept Planning Fund is not sufficient to defray all costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities and those costs and expenses enumerated in Section 6(j) of this Agreement, the Operator, in the exercise of its absolute discretion, and without the approval of the Co-Owners, may advance to the Co-Owners an amount or amounts on account of such shortfall to a maximum of 5% of the aggregate purchase prices paid by all Co-Owners for their respective Interests (collectively, the "**Initial Advance**"). The Initial Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance made to the Co-Owners out of the proceeds of the sale of the Property.

If the cost of Planning Activities exceeds the combination of the Concept Planning Fund and the Initial Advance, the Operator, as it deems necessary in the exercise of its absolute discretion but subject to the approval of the Co-Owners by way of an Ordinary Resolution, may advance to the Co-Owners additional amounts as may be required for such purposes (collectively, the "**Additional Advance**"). The Additional Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, after repayment of the Initial Advance, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance and the Additional Advance made to the Co-Owners out of the proceeds of the sale of the Property.

19. SALE OF THE PROPERTY

Any offer to purchase the Property received by the Operator or the Nominee, which the Operator deems acceptable (the "**Offer**") shall be presented to all of the Co-Owners for consideration and if approved by an Ordinary Resolution such Offer shall be accepted by the Nominee and such acceptance shall be binding upon all of the Co-Owners. Any sale of the Property by the Nominee resulting from an Offer the acceptance of which was approved by an Ordinary Resolution of the Co-Owners shall be deemed to include the sale by the Co-Owners of the Interests.

The Co-Owners hereby agree that Operator shall have the right, exercisable by notice in writing to the Co-Owners within 30 days after the Co-Owners have passed an Ordinary Resolution to accept the Offer, to purchase the Property at the same price and on the same terms and conditions as are contained in the Offer approved by Ordinary Resolution of the Co-Owners.

If the Operator fails to provide the notice exercising its right to purchase the Property on the same terms and conditions as are contained in the Offer within the said 30 days, then the Nominee shall accept the Offer and complete the transaction with the party that made the Offer the acceptance of which was approved by Ordinary Resolution of the Co-Owners.

20. HST AND LTT

Each of the Co-Owners hereby authorizes the Operator to make any and all filings, payments and/or remittances for HST with respect to the purchase by each Co-Owner of his respective Interest and any other payments of HST applicable to the services provided to the Nominee or in respect of the Property or the Interest of a Co-Owner.

Each Co-Owners hereby authorizes the Operator to carry out any HST reporting or filing obligations that are required in respect of the Interests or the Property. Such authority shall

include the execution of any documents that have to be or which may be advisable to be executed under the *Excise Tax Act*. The Operator shall to the extent required under the *Excise Tax Act* make and satisfy all filing and reporting obligations of a Co-Owner with respect to the Interest of the Co-Owner and shall provide each Co-Owner with copies of such filings and reports.

Each of the Co-Owners hereby authorizes the Operator to make any and all filings payments and/or remittances, from funds provided by the Co-Owner, relating to LTT arising from the purchase by each Co-Owner from the Vendor of his respective Interest in the Property. For greater certainty, each of the Co-Owners hereby authorizes the Operator on behalf of the Co-Owner and with the Co-Owner's funds to make any and all payments, remittances and filings under the provisions of the *Land Transfer Tax Act* relating to LTT and within the time period required therefor under the *Land Transfer Tax Act*, arising from the acquisition and/or ownership of the Interest. The Operator shall provide each Co-Owner with copies of such filings and evidence of the payments and remittances upon the written request of a Co-Owner.

21. POWER OF ATTORNEY

Each Co-Owner hereby nominates, constitutes and appoints each of the Operator and the Nominee, acting alone or together, with full power of substitution, as his true and lawful attorney and agent with full power and authority in his name, place and stead, for his use and benefit, to do the following, as fully and effectually as the Co-Owner could do if personally performed including, without limitation:

- (a) execute and deliver all such documents or instruments on behalf of and in the name of the Co-Owners, or any of them, as may be deemed necessary by the Operator to carry out fully the provisions of this Agreement in accordance with its terms;
- (b) execute, swear to, acknowledge, deliver, file and/or remit to or with the Ministry of Finance (Ontario) pursuant to the *Land Transfer Tax Act*, as amended, all necessary returns and payment or remittances in connection with the acquisition by the Co-Owners of their respective Interests in the Property;
- (c) execute, acknowledge, deliver and file and/or remit to or with the CRA, all necessary instruments, declarations, certificates and other documents, and remittances relating to HST;
- (d) execute, acknowledge, deliver and file as and where required any election made pursuant to subsection 273(1) of the *Excise Tax Act* as contemplated in each Purchase Agreement;
- (e) execute and deliver all conveyances, agreements, documents and other instruments pertaining to the sale, development, redevelopment, financing, refinancing or leasing of the Property as the Operator determines in its sole discretion is in the best interests of the Co-Owners, and as permitted by this Agreement or authorized by Ordinary Resolution or Special Resolution of the Co-Owners; and
- (f) execute, acknowledge, deliver and file any and all CRA non-resident personal income tax returns.

Each Co-Owner acknowledges and confirms that the power of attorney granted herein is made pursuant to the *Powers of Attorney Act* (Ontario) and is a power coupled with an interest, will survive the death, disability or other legal incapacity of the Co-Owner and will survive the assignment (to the extent of the Co-Owner's obligations hereunder) by the Co-Owner of the whole or any part of his Interest and extends to the heirs, executors, administrators, successors

and assigns of the Co-Owner and may be exercised by the Operator or the Nominee, acting alone or together, executing on behalf of the Co-Owners, or any of them, any instrument, by listing all of the Co-Owners to be bound by such instrument with a single signature as attorney and agent for all of them, or otherwise. Each of the Co-Owners agrees to be bound by any representations and actions made or taken in good faith and in accordance with the terms of this Agreement by the Nominee and/or the Operator pursuant to such power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Nominee or the Operator taken in good faith under such power of attorney. The Operator shall, at the written request of a Co-Owner, provide such Co-Owner with copies of any of the documents or instruments executed, sworn, delivered, acknowledged or remitted by the Operator for and on behalf of that Co-Owner only under the power of attorney provided for in this Section 21.

22. INDEMNIFICATION

Each of the Co-Owners hereby agrees, severally and not jointly or jointly and severally, to indemnify and hold harmless the Operator and the Nominee from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee, or by any one or more attorneys appointed by it or them under the power to substitute pursuant to the power of attorney provision contained in Section 21 above, by reason of acts, omissions or alleged acts or omissions arising out of the activities of the Operator or the Nominee on behalf of the Co-Owners or in furtherance of the Interests of the Co-Owners but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and in accordance with the Agreement.

23. VENDOR'S RIGHT TO RETAIN AN INTEREST

The Co-Owners acknowledge and agree that the Vendor has the right, but not the obligation, to retain an undivided beneficial Interest in the Property (a "**Retained Interest**"), to whatever extent it wishes, and the Vendor to the extent of any such Retained Interest shall for the purposes of this Agreement be a Co-Owner and be deemed to be bound by this Agreement. The Vendor may at any time and from time to time Transfer and assign all or any part of such Retained Interest to any person or persons it deems appropriate and upon such Transfer or assignment, the assignee or transferee thereof shall execute a counterpart of this Agreement and shall be a Co-Owner to the extent of the Retained Interest so transferred or assigned.

24. COMPETING INTERESTS

Each of the Co-Owners and the Operator is entitled, without the consent of any of the others of them, to own property and to carry on any business or activity whatsoever, whether of the same or different nature as that owned by or carried on by any of them, and whether or not in competition with the Interests, the Property or any activity carried on by any of them, and neither any Co-Owner nor the Operator shall be liable to account to any of the other of them.

25. NOTICES

Any notice or communication required or permitted to be given to the Nominee, the Vendor, the Operator or the Co-Owners hereunder shall be in writing and shall be given by delivery or by mailing to same to be addressed as follows:

- (a) To the Nominee, the Vendor or the Operator, at its respective mailing address provided in Section 4 above.

(b) To each Co-Owner at his last address shown on the Co-Owners Record maintained by the Operator.

Any notice or communication delivered as aforesaid shall be in the English language but may be accompanied by an unofficial translation and shall be deemed to have been given to the addressee on the day of delivery, if delivered by courier or, if mailed as aforesaid, shall be deemed to have been given to the addressee on the 10th Business Day following the mailing of such notice, provided that, for such purposes, no day during which there shall be a strike or other occurrence which shall interfere with normal mail services shall be considered a Business Day. If delivery of any notice or communication is made via fax, delivery shall be deemed to have been made on the day following the sending of the fax unless such day is not a Business Day, in which case delivery shall be deemed to have been made on the next Business Day.

26. FURTHER ACTS

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

27. BINDING EFFECT

Subject to the restrictions on Transfers herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.

28. SEVERABILITY

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts, by original or facsimile signature, with the same affect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement.

30. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, in the Country of Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

31. DISPUTE RESOLUTION

Any disputes, claims, disagreements, differences, (including, without limitation, interpretation, performance and enforcement) (collectively the "**Dispute**") that may arise between the Co-Owners or any of them and/or the Operator and/or the Nominee relating in any manner to this Agreement, the Property, or the Interests or any of them, shall attempted to be resolved by mediation and if such mediation is not successful, then by arbitration.

Upon written demand of the Nominee, the Operator or the Co-Owners or any them and within 10 days after such demand, the parties shall attempt to appoint a mediator. If within such period of time they are unable to agree on a mediator, the Dispute shall be resolved by arbitration. If the parties to the Dispute are unable to agree upon a single arbitrator within 10 days after a demand has been made by any party to the Dispute to appoint a single arbitrator then, any party to the Dispute may apply, to a Justice of the Superior Court of Justice sitting in the City of Toronto, in the Province of Ontario, Canada for the appointment of an arbitrator.

The arbitration shall proceed in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) and any amendments or successor legislation thereto, which provisions shall apply *mutatis mutandis*. The arbitrator shall have the power to determine the procedure for the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator.

The arbitrator shall proceed immediately to hear and determine the Dispute. The award of the arbitrator shall be made within 30 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrator shall be in writing and signed by the arbitrator, and shall be final and binding on the parties to the Dispute, not subject to any appeal, and the parties to the Dispute shall abide by the award and perform the terms and conditions thereof. The arbitration award shall deal with the costs of arbitration and all matters related thereto including the arbitrator's fees and expenses. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Unless otherwise mutually agreed, any mediation or arbitration of a Dispute shall take place in the Municipality of Metropolitan Toronto, in the Province of Ontario, in the Country of Canada.

32. NO INTENTION TO CREATE A PARTNERSHIP

The Co-Owners acknowledge, agree and declare that the entering into of this Agreement does not, and is not intended to, create a partnership, for any purpose. The Co-Owners further agree that nothing herein is to be construed as a limitation of the powers or rights of any Co-Owner to carry on its separate respective activities. Except for the Operator as contemplated in this Agreement, none of the Co-Owners shall have the right to bind any of the other Co-Owners, transact any business in any of the other Co-Owners names or on their behalf or incur any liability for or on behalf of any of the other Co-Owners. The Co-Owners agree that they shall each report their income or loss arising from the ownership of their Interests, for both accounting and income tax purposes, and to the applicable taxing authorities, as co-venture parties independent of one another, and not as partners in a partnership.

33. NO RIGHT TO PARTITION, ETC.

Each of the Co-Owners, by becoming a party to this Agreement, agrees and will be deemed to have agreed that he will not seek any remedy or right for the termination of this Agreement which would otherwise be available at law or in equity or for the termination of the co-ownership of the Property or which would otherwise be available pursuant to the *Partition Act*, R.S.O. 1980, c. 369,) and any amendments or successor legislation thereto, and each such Co-Owner shall be forever estopped from asserting otherwise and from seeking such remedy or right. In the event of any breach of the provisions of this Section 33 by a Co-Owner, the other Co-Owners and the Operator shall, in addition to all rights and remedies at law or in equity to which it is or they are otherwise entitled, be entitled to a decree or order

perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Co-Owner shall not plead in defence thereto that there would be an adequate remedy at law, it being acknowledged by all the parties hereto that the injury and damages flowing from any such breach would be impossible to measure monetarily.

34. TIME

Time shall be of the essence of this Agreement.

35. REFERENCE DATE

This Agreement is dated for reference as of the 15TH day of November, 2013.

IN WITNESS WHEREOF this Agreement is executed with effect as of the day and year first above written.

EXECUTED this 13TH day of NOVEMBER 2013 **CO-OWNER**
with effect as of the day and year first
above written.

WITNESS

✓ *Chiaki Hayashi*
SIGNATURE OF WITNESS

Signature of Witness

Print: CHIAKI HAYASHI

Hironori Kobayashi
SIGNATURE OF CO-OWNER ★

Signature of Co-Owner

Print: HIRONORI KOBAYASHI

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

LONDON VALLEY IV INC.

Per:  _____

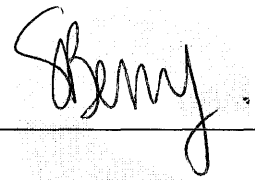
Name:

Title:

I/We are authorized to bind the Corporation.

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

TSI-LV IV INTERNATIONAL CANADA INC.

Per:  _____

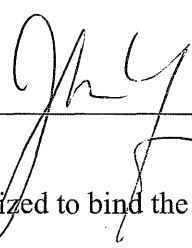
Name:

Title:

I/We are authorized to bind the Corporation.

LV IV CAPITAL MANAGEMENT INC.

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

Per:  _____

Name:

Title:

I/We are authorized to bind the Corporation.

SCHEDULE "1"

Legal Description of Property

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

SCHEDULE "2"

NOTICE OF REQUISITION OF ORDINARY RESOLUTION

By Co-Owners

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

HIRONORI KOBAYASHI

Address:

Address:

Unit Identification No. LV IV6-LV IV55

By Operator

NOTICE IS HEREBY GIVEN that the undersigned requests the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned signed to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

LV IV CAPITAL MANAGEMENT INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

LV IV6-LV IV55-35637

Appendix 1

FORM OF ORDINARY RESOLUTION

The Undersigned Co-Owner hereby elects to

- () The Undersigned approves the following Resolution; or
- () The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness	)	Co-Owner
	)	
	)	
	)	
Signature	)	Signature
Print:	)	Print: <u>HIRONORI KOBAYASHI</u>
	)	
Address:	)	Address:
	)	
	)	

Unit Identification No. LV IV6-LV IV55

Identification No. _____

SCHEDULE "3"

NOTICE OF REQUISITION OF SPECIAL RESOLUTION

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners to approve the Special Resolution attached hereto as Appendix I **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Special Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Special Resolution.

Dated the ____ day of ____, 201__.

Witness	)	Co-Owner
	)	
	)	
	)	
Signature _____	)	Signature _____
Print: _____	)	Print: <u>HIRONORI KOBAYASHI</u>
	)	
Address: _____	)	Address: _____
	)	
_____		_____

Unit Identification No. LV IV6-LV IV55

Identification No. _____

Appendix I

FORM OF SPECIAL RESOLUTION

The Undersigned Co-Owner hereby elects to

- () The Undersigned approves the following Resolution; or
 - () The Undersigned does not approve the following Resolution.
- (Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness	)	Co-Owner
	)	
	)	
Signature	)	Signature
Print:	)	Print: <u>HIRONORI KOBAYASHI</u>
	)	
Address:	)	Address:
	)	

Unit Identification No. LV IV6-LV IV55

Identification No. _____

DECLARATION OF TRUST

Cert. No. LV_IV_JP_067ee197a2aa979778923af77b40dd89

ID. 35637 UDI. LV IV6-LV IV55

Interest: 50/512TH

This is to certify that HIRONORI KOBAYASHI is

the owner of an undivided beneficial 50/512TH interest (the "Interest") representing a value of Five Hundred Thousand dollars of lawful money of Canada (C\$500,000.00) in the real property located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster (the "Property") and that London Valley IV Inc., as the registered holder of title to the Property, declares and acknowledges that it is holding title to the Property in trust for and on behalf of HIRONORI KOBAYASHI, to the extent of the Interest.

Reference is made to the co-owners agreement (the "Agreement") dated for reference as of the 15TH day of November, 2013 among the owner of the Interest named in the within Declaration of Trust, London Valley IV Inc. TSI-LV IV International Canada Inc., LV IV Capital Management Inc. and all other owners of undivided beneficial interests in the Property from time to time who execute a counterpart of the Agreement. The Agreement provides for certain rights and obligations of the owners of undivided beneficial interest in the Property.

This Declaration of Trust and the Interest represented hereby are not transferable by delivery but only by the registered holder hereof, or by his agent duly authorized in writing, upon compliance with the provisions of the Agreement, including delivery to TSI-LV IV International Canada Inc. at its principal office in Mississauga, Ontario, of this Declaration of Trust together with a duly executed transfer of beneficial interest in the form required by TSI-LV IV International Canada Inc.

IN WITNESS WHEREOF London Valley IV Inc. and TSI-LV IV International Canada Inc. have caused this Declaration of Trust to be signed by its duly authorized officers this 17TH day of JANUARY 2014.

LONDON VALLEY IV INC.

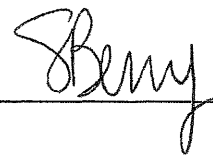
Per: 

Name:

Title:

I/We have authority to bind the Corporation

TSI-LV IV INTERNATIONAL CANADA INC.

Per: 

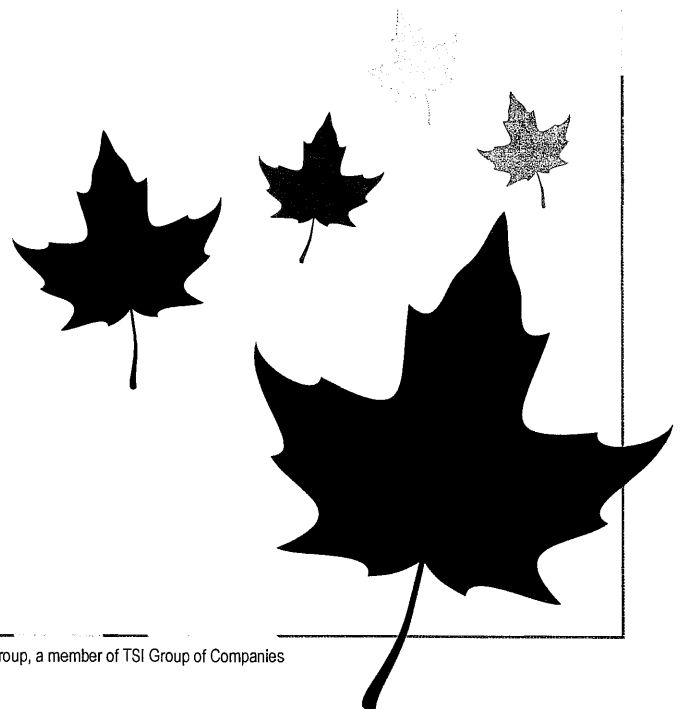
Name:

Title:

I/We have authority to bind the Corporation



LONDON VALLEY IV INC.
MIZUE FUKIAGE



AGREEMENT OF SALE AND PURCHASE dated the 13TH day of NOVEMBER, 2013.
BETWEEN

MIZUE FUKIAGE,

Identification: DRIVER'S LICENSE (528500942092)

Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

Phone Number: 81-776-28-6655

(hereinafter referred to as the "**Purchaser**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,

a corporation incorporated under the laws of the Province of Ontario,

(hereinafter referred to as the "**Vendor**");

-and-

LONDON VALLEY IV INC.,

a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Nominee**")

WHEREAS:

A. The Vendor is the beneficial owner of an undivided interest in a parcel of land described in Schedule "B" annexed to this Agreement (the "**Property**") and title to which Property is registered in the name of the Nominee.

B. The Vendor is engaged in the business of land banking, the prime focus of which is to locate and purchase raw land and to endeavour to rezone the land through the applicable land development process to an approved use determined by the Vendor to be suitable and appropriate in all of the circumstances, and to thereby enhance the value of the land.

C. The Purchaser acknowledges that rezoning of the Property is uncertain and may take many years to achieve, often six years or longer, and that there can be no assurance that rezoning will be obtained, or if obtained, to permit for such use or uses as were requested and/or otherwise on terms and conditions that are satisfactory.

D. The Vendor may from time to time sell undivided beneficial interests in the Property to various purchasers.

E. The Purchaser acknowledges that real estate investments are generally subject to various risks, including a lack of liquidity, the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), conditions of supply and demand for any particular type of real estate in the particular area, government regulations and changes thereto (including uncertainties and delays in zoning, subdivision and development regulatory approval processes, taxation of

property and environmental legislation), changes in governments and the political environment in the jurisdiction where the real estate is located, and sensitivity to interest rates, among other factors.

F. The Purchaser acknowledges having had the opportunity to review this Agreement and its schedules with its advisors and to conduct such due diligence investigations as the Purchaser deemed appropriate with respect to all matters pertaining to the Property and to the Vendor.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. SALE OF UNDIVIDED BENEFICIAL INTEREST IN LAND

1.1 The Purchaser hereby agrees to purchase from the Vendor and the Vendor hereby agrees to sell to the Purchaser a 50/512TH undivided beneficial interest in the Property (the "**Purchaser's Land Interest**").

1.2 The Purchaser's Land Interest will be identified by the following designated identification number: LV IV56-LV IV105

2. . PURCHASE PRICE

2.1 The Purchaser shall pay the aggregate sum of Ten Thousand Dollars of lawful money of Canada (C\$10,000) for each 1/512TH undivided beneficial interest in the Property upon execution of this Sale and Purchase Agreement, of which Nine Thousand Five Hundred Dollars (C\$9,500) of lawful money of Canada will be paid on account of the purchase price for such interest, and Five Hundred Dollars (C\$500) of lawful money of Canada will be paid into a segregated account known as the "Concept Planning Fund" (the "**Concept Planning Fund**") to be used to defray costs, expenses and fees to be incurred in connection with the Property, as more particularly hereinafter described and as described in the Co-Owners Agreement (as such term is hereinafter defined).

2.2 The Purchaser hereby agrees to purchase the Purchaser's Land Interest for a total purchase price of FOUR HUNDRED SEVENTY FIVE THOUSAND DOLLARS ONLY of lawful money of Canada (C\$475,000.00) (the "**Purchase Price**"), and to pay the amount of TWENTY FIVE THOUSAND DOLLARS ONLY of lawful money of Canada (C\$25,000.00) into the Concept Planning Fund (the "**Concept Planning Fund Contribution**"). All references in this Agreement to payments of money being made shall mean lawful money of Canada.

2.3 The Purchase Price excludes applicable harmonized sales tax (the "**HST**") pursuant to the *Excise Tax Act*, R.S.C. 1985, c E-15, as amended (the "**ETA**") and the Purchaser agrees to pay the HST in addition to the Purchase Price and the Concept Planning Fund Contribution, unless the Purchaser has obtained and inserted (or instructed to be inserted) its HST registration number set forth below on the signing page of this Agreement, below its signature, prior to acceptance of this Agreement by the Vendor, in which case the Purchaser hereby represents and warrants that it is a registrant for HST purposes under the provisions of the ETA, under such registration number.

2.4 Included in the Purchase Price and the Concept Planning Fund Contribution, the Purchaser shall be responsible for the payment of land transfer tax ("**LTT**") under

the *Land Transfer Act*, R.S.O., c L.6. as amended (the "LTTA"), in the amount of FIVE THOUSAND EIGHT HUNDRED EIGHTY SIX DOLLARS AND SEVENTY CENTS of lawful money of Canada (C\$5,886.70).

2.5 The Purchaser covenants to pay, make and submit all necessary payments, filings and remittances within the time periods required therefor under the provisions of the ETA, if applicable, and the LTTA, and the regulations thereunder. The Purchaser hereby authorizes the Vendor on behalf of the Purchaser and with the Purchaser's funds, to make any and all payments, filings and remittances within the time periods required therefore under the provisions of the ETA relating to HST, if applicable, and under the provisions of the LTTA relating to LTT required to be made by the Purchaser arising from its acquisition of the Purchaser's Land Interest. While the Vendor agrees to assist the Purchaser in submitting such payments, remittances and filings, for greater certainty, nothing herein contained shall oblige the Vendor to make any payments or remittances from its own resources or funds and all such payments and remittances and filings shall be the Purchaser's obligation.

2.6 Funds in the Concept Planning Fund shall be applied towards defraying future costs of every nature and kind related to the Property, including property management costs, costs, fees, and services incurred in connection with planning activities, development submissions, subdivision applications, operational costs and all other activities and matters concerning or related to the Property, as determined by the Operator (as such term is defined in the Co-Owners Agreement) which would be incurred by or on behalf of the Purchaser as a Co-Owner. The Concept Planning Fund is intended to be a deposit account. The Purchaser's proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Purchaser following completion of the sale of the Property. The Purchaser's proportionate share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of the Co-Owners Agreement) will be paid by the Purchaser (in its capacity as a Co-Owner) and deducted from its proportionate share of any sale proceeds receivable by it, if and when the Property is sold or otherwise disposed of.

3. PAYMENT OF THE PURCHASE PRICE

3.1 The Purchaser hereby agrees that the Purchase Price, the Concept Planning Fund Contribution, and all other amounts due and payable hereunder, shall be paid to the Vendor on the Closing Date (as hereinafter defined). Following the Closing Date, the Vendor shall deliver the Concept Planning Fund Contribution to the Operator for deposit into the Concept Planning Fund.

3.2 All payments of the Purchase Price, the Concept Planning Fund Contribution, and such other amounts shall be made through the appointed agent (the "**Vendor's Agent**"), the Vendor's authorised agent and representative in the jurisdiction of residence of the Purchaser, and the Vendor hereby directs the Purchaser to make all such payments to the Vendor's Agent, who is authorised by the Vendor to acknowledge receipt of the Purchase Price and other amounts paid hereunder.

4. CLOSING DATE, DELIVERIES, COSTS, NON-MERGER

4.1 The date on which this Agreement is signed by the Purchaser and is accepted and signed by the Vendor and the Nominee shall be the "**Closing Date**". On the Closing Date, in addition to delivering the Purchase Price and this Agreement, the Purchaser agrees to deliver to the Vendor's Agent a copy of the Co-Owners Agreement signed by the Purchaser.

4.2 Within ninety (90) days after the Closing Date, the Vendor agrees to deliver to the Purchaser the following documents (the "**Closing Documents**"):

- (a) this Agreement, duly executed by the Vendor and the Nominee;
- (b) a Declaration of Trust (as hereinafter defined), duly executed by the Nominee; and
- (c) the Co-Owners Agreement (as hereinafter defined), duly executed by the Nominee and Operator (as therein defined).

4.3 The Vendor shall pay for the cost of drafting and/or settling the Closing Documents. The Vendor shall not be obligated to pay any other costs associated with the purchase of the Purchaser's Land Interest.

4.4 This Agreement shall be irrevocable by the Purchaser for a period of 120 days following its execution and delivery to the Vendor or the Vendor's Agent. This Agreement shall only become binding upon the Vendor and the Nominee following the Vendor and the Nominee having each accepted this Agreement as signified by its respective execution of this Agreement where indicated below.

4.5 All representations, warranties and covenants of the Purchaser as set out in this Agreement shall not merge upon closing but shall survive closing and the Closing Date.

5. VENDOR REPRESENTATIONS AND WARRANTIES

5.1 The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in completing the sale and purchase transaction contemplated in this Agreement:

- (a) the Vendor is the beneficial owner of the Purchaser's Land Interest with good and marketable title thereto, subject to Section 6.1;
- (b) registered title to the Property and beneficial title to the Purchaser's Land Interest shall be good and marketable and clear and free from all mortgages, charges and financial liens on the Closing Date;
- (c) the Vendor has the right, power and authority to sell the Purchaser's Land Interest as contemplated in this Agreement;
- (d) the Vendor is a corporation properly constituted and in good standing under the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (e) the Vendor is not now and on the Closing Date will not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended from time to time.

6. EASEMENTS, LIENS, REGISTERED AGREEMENTS

6.1 Other than any mortgage, charge or financial lien which the Vendor is required to discharge pursuant to this Agreement, registered title to the Property, and beneficial title to the Purchaser's Land Interest, shall be subject to all other liens and encumbrances registered

on title to the Property on the Closing Date or which may be registered against the title to the Property after the Closing Date, including those registered in connection with the rezoning or development process relating to the Property, and including, without limitation, agreements with the applicable municipality or region, agreements with public regulated utilities, easements for the supply of domestic utility or telephone services to the Property or properties which are adjacent to the Property, 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 or its proposed development, other registered restrictions or covenants that run with the lands, and the restrictions and reservations in the Crown patent.

7. PURCHASER(S)' REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 The Purchaser represents and warrants to and covenants in favour of the Vendor as follows:

- (a) there are no liens, mortgages, judgements, executions or other encumbrances, related to or attaching to the Purchaser's Land Interest or any part thereof;
- (b) the Purchaser shall keep the Purchaser's Land Interest and every part thereof free and clear of all liens, mortgages, other encumbrances, judgements or executions. The Purchaser warrants and represents that all such liens, mortgages, judgements, executions other encumbrances, if any, shall be discharged and removed forthwith at the Purchaser's sole cost and expense and the Purchaser shall hold harmless the Vendor and all other beneficial owners of undivided interests in the Property from time to time against any and all claims, liabilities, actions, cause of actions, charges, demands and costs, including solicitors fees in connection therewith; and
- (c) the Purchaser will not register or cause to be registered this Agreement, the Co-Owners Agreement, notice of this Agreement, notice of the Co-Owners Agreement, notice of the Purchaser's Land Interest, or any caution against title to the Property and the Purchaser shall forthwith remove and discharge any such registration at its costs and expense, failing which the Vendor may do so at the cost and expense of the Purchaser.

7.2 The foregoing warranties, representations and covenants of the Purchaser shall not merge on closing but shall survive closing and the Closing Date.

8. PURCHASER(S)' PARTICULARS, NATURE OF VESTING OF BENEFICIAL TITLE

8.1 The Purchaser agrees and confirms that the personal information provided in Schedule "A" annexed hereto is true, accurate and complete and agrees to inform the Vendor in writing forthwith of any change in any of the information therein provided.

8.2 If there is more than one person that comprises the Purchaser, then the Purchaser's Land Interest will be held as joint tenants with right of survivorship unless the box below is initialled by the Purchaser in which case the Purchaser's Land Interest will be deemed to be held as tenants-in-common, in the percentages noted therein.

[] Purchaser elects to hold Purchaser's Land Interest as tenants- in -common and not as joint tenants, as follows: _____ as to ____%,
_____ as to ____%.

9. PRESENT STATE AND CONDITION OF PROPERTY

9.1 The Purchaser hereby agrees that the purchase of the Purchaser's Land Interest is on an "as is, where is basis" with no representations or warranties whatsoever made by the Vendor, other than as expressly set out in this Agreement.

10. TITLE INSURANCE

10.1 The Nominee as registered owner of the Property obtained title insurance upon acquiring the Property (the "**Title Insurance Policy**") in such form and in such amount and with such stipulations, limitations and qualifications respecting coverage as it deemed appropriate.

11. NOMINEE AS BARE TRUSTEE; DECLARATION OF TRUST

11.1 The Purchaser acknowledges that the registered title to the Property is held by the Nominee, as nominee and bare trustee for the Vendor to the extent of its undivided beneficial interest in the Property, and as nominee and bare trustee for others to the extent of their respective undivided beneficial interests in the Property, and that on completion of the transaction herein contemplated the Nominee will hold the registered title to the Property to the extent of the Purchaser's Land Interest as nominee and bare trustee for the Purchaser and others to the extent of their respective undivided beneficial interests in the Property.

11.2 The mailing address of the Nominee for receiving notices shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee may change its mailing address from time to time by giving notice in writing to that effect pursuant to the notice provisions contained in the Co-Owners Agreement.

11.3 The Nominee agrees to execute and deliver to the Purchaser a declaration of trust (the "**Declaration of Trust**") wherein it will confirm that, from and after the Closing Date, it is holding the title to the Property for and on behalf of the Purchaser, to the extent of the Purchaser's Land Interest, in the place and stead of the Vendor.

11.4 The Purchaser acknowledges that the registered title to the Property shall at all times be in the name of the Nominee.

12. NO RIGHT TO USE, OCCUPY OR ACCESS

12.1 The Purchaser agrees that it hereby waives all rights of use, occupation and rights of access to the Property, and any part thereof, in order to facilitate the future rezoning and ultimate subdivision and re-development of the Property, for the benefit of all Co-Owners. The provisions of this Section 12. shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

13. CO-OWNERS AGREEMENT

13.1 The Purchaser agrees that concurrent with its execution and delivery of this Agreement, the Purchaser shall execute and deliver the agreement or a counterpart of the co-

owners agreement, a draft copy of which is annexed hereto as Schedule "C" (the "**Co-Owners Agreement**").

13.2 The Co-Owners Agreement shall govern, amongst other things, the following:

- (a) the rights and obligations of the Purchaser, as owner and any other owners of undivided beneficial interests in the Property;
- (b) any future sale, financing and/or development of the Property;
- (c) procedures for consent and approvals by the Co-Owners (as such term is defined in the Co-Owners Agreement);
- (d) appointing the Operator (as such term is defined in the Co-Owners Agreement) for and on behalf of the Co-Owners;
- (e) the rights and obligations of the Operator of the Property;
- (f) the obligation of the Nominee as registered holder of the title to the Property for and on behalf of the Co-Owners;
- (g) the right to transfer or assign the Purchaser's Land Interest or any part thereof and the terms conditions to be satisfied with respect to any such assignment or transfer; and
- (h) such other matters as are therein contained.

13.3 The Vendor shall not be obligated but shall have the right to retain an undivided beneficial interest in the Property to such extent as it may in its absolute discretion deem appropriate and thus be a co-owner thereof and with respect to such undivided beneficial interest it shall be subject to the terms of the Co-Owners Agreement and entitled to exercise the rights of a Co-Owner.

14. SUBDIVISION CONTROL PROVISIONS

14.1 The Vendor agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and this Agreement shall be effective to create an interest in the Property provided that the provisions of the *Planning Act* (Ontario) are complied with in connection with the transaction of sale and purchase of the Purchaser's Land Interest.

15. NO REPRESENTATIONS, WARRANTIES OR ADVICE

15.1 The Purchaser acknowledges that none of the Vendor, the Nominee, the Vendor's Agent nor anyone acting on its or their behalf has made any representations or warranties except as are expressly set forth in this Agreement or the Co-Owners Agreement, nor given any advice respecting the tax treatment relating to the purchase or disposition of the Purchaser's Land Interest or any part thereof or the Property, nor as to the timing of sale, rezoning or development of the Property nor with respect to any potential or anticipated profit to be derived or derivable from the Purchaser's Land Interest or the Property.

15.2 The Purchaser has been urged and advised to consult with the Purchaser's own respective advisors including legal and tax advisors, with respect to the purchase and other matters pertaining to the Property and the Purchaser's Land Interest and the Closing Documents.

16. SOURCE OF FUNDS

16.1 The Purchaser hereby represents, warrants, confirms and acknowledges that the source of the Purchaser's funds:

- (a) are not derived directly or indirectly from any crime;
- (b) are not linked directly or indirectly to any terrorists or against anti terrorist laws;
- (c) are not embargoed funds; and
- (d) are not obtained in violation of any laws or seeking to escape or avoid any tax laws;

16.2 The Purchaser covenants that all payments and remittances shall strictly comply , at its own expense, with all regulatory or exchange control provisions in force on the Closing Date and applicable to this Agreement.

16.3 The provisions of this Section 16 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

17. NOTICES

17.1 All notices required hereunder shall be in writing and in the English language and may be served either personally upon the parties or by electronic transmission namely by fax or email addressed to the Parties at their respective last known addresses, fax number or email address.

18. HEIRS, ASSIGNS, ETC.

18.1 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs , administrators, executors, successors and permitted assigns; provided that, the Purchaser shall not be entitled to assign this Agreement or any of its rights hereunder without the prior written approval of the Vendor, which approval may be withheld in its absolute discretion.

19. SUPERCEDING AGREEMENT

19.1 This Agreement shall supercede any and all previous discussions, representations, agreements or understandings made by or on behalf of either of the parties hereto for or relating to the purchase and sale of the Purchaser's Land Interest.

20. SCHEDULES

20.1 Schedules "A", "B" and "C" annexed hereto form an integral part of this Agreement and shall be read together with this Agreement.

21. COUNTERPARTS

21.1 This Agreement may be executed in any number of counterparts and by original or facsimile signature with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same Agreement.

22. LAWS AND JURISDICTION-ONTARIO

22.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

23. CAPTIONS

23.1 The captions of the sections of this Agreement are for convenience only and do not amplify or limit in any way the provisions hereof.

24. EFFECT OF PARTIAL INVALIDITY ON THIS AGREEMENT

24.1 In the event that any provision of this Agreement is illegal, void or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

25. FACSIMILE DOCUMENTS

25.1 The parties agree to accept facsimile executed documents, including Closing Documents, as if they were originally signed documents.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SET OUT BELOW.

WITNESSED BY:

DATE OF EXECUTION: 2013-11-13

THE PURCHASER

CHIAKI HAYASHI

Print Name of Witness

MIZUE FUKIAGE

Print Name of Purchaser

✓ *Chiaki Hayashi*

Signature of Witness

Witness Identification Number

Mizue Fukiage ★

Signature of Purchaser

HST Number:

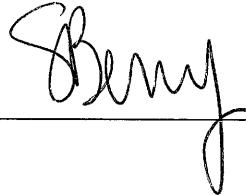
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- 11 -

DATE OF EXECUTION: 2014-1-17
THE VENDOR:
TSI-LV IV INTERNATIONAL CANADA INC.

Per:



Name:

Title:

HST Number: 843 697 772 RT 0001

I/We have the authority to bind the Corporation.

DATE OF EXECUTION: 2014-1-17

THE NOMINEE:
LONDON VALLEY IV INC.

Per:



Name:

Title:

I/We have the authority to bind the Corporation.

SCHEDULE "A" – PURCHASER(S) PARTICULARS

Information Concerning Purchaser(s):

1. PURCHASER:Full Name: MIZUE FUKIAGE

() Single () Married () Trustee – Indicate full name of Trust.

Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064Home Telephone: 81-776-28-6655 Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: mizue@kobird.co.jpCountry of Birth: JAPAN

The following have been provided to the Vendor:

(✓) Driver's Licence () Passport () Other _____

2. Second or additional person as Purchaser:

Full Name: _____

() Single () Married () Trustee – Indicate full name of Trust.

Address: _____

Home Telephone: _____ Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: _____

Country of Birth: _____

The following have been provided to the Vendor:

() Driver's Licence () Passport () Other _____

SCHEDULE "B" – PROPERTY and NOMINEE

LEGAL DESCRIPTION OF PROPERTY

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

REGISTERED HOLDER OF LEGAL TITLE TO PROPERTY

LONDON VALLEY IV INC.

Office: 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3

Tel No: 1-905-602-7463

Fax No: 1-905-602-7460

SCHEDULE "C" – CO-OWNERS AGREEMENT

UNIT IDENTIFICATION NO. LV IV56-LV IV105**CO-OWNERS AGREEMENT****LONDON VALLEY IV INC.****THIS CO-OWNERS AGREEMENT** is dated the 15TH day of November, 2013.**BETWEEN:****MIZUE FUKIAGE,**

Identification: DRIVER'S LICENSE (528500942092)

Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

(hereinafter referred to as the "**Purchaser**")

-and-

LONDON VALLEY IV INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Nominee**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Vendor**")

-and-

LV IV CAPITAL MANAGEMENT INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Operator**")

-and-

All other owners of undivided beneficial interests in the Property from time to time
who execute a counterpart of this Agreement(hereinafter collectively referred to as the "**Co-Owners**")**WHEREAS:**

1. Pursuant to a Sale and Purchase Agreement, the Vendor has sold to the Purchaser, and the Purchaser has purchased from the Vendor, an undivided beneficial interest in the Property;
2. The Nominee is the registered owner of the Property and has agreed to hold the Property as nominee and bare trustee for and on behalf of the Co-Owners from time to time;
3. Every purchaser of an undivided beneficial interest in the Property, every assignee of such purchaser, and every assignee of each such assignee, is required to execute and deliver a counterpart of this Agreement and shall be bound as a Co-Owner pursuant thereto; and

LV IV56-LV IV105-35640

4. This Agreement sets forth the provisions which govern the Co-Owners' ownership of undivided beneficial interests in the Property and any future sale, financing and/or development with the Property and their respective undivided beneficial interests therein.

NOW THEREFORE in consideration of the payment of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by each party to the other, the receipt of which is hereby acknowledged, and of the premises and the mutual covenants herein contained, the parties hereto hereby covenant and agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall be deemed to have the following meanings:

- (a) **"ASPE"** shall have the meaning ascribed thereto in Section 16 of this Agreement;
- (b) **"Additional Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (c) **"this Agreement"**, **"hereof"**, **"herein"**, **"hereunder"** and words to like effect, refer to this Co-Owners Agreement as a whole and not to any particular provision, as it may be amended, supplemented and/or restated from time to time;
- (d) **"Business Day"** means any day of the week other than a Saturday, Sunday or a day which is a statutory holiday, in Ontario, Canada;
- (e) **"Concept Planning Fund"** shall have the meaning ascribed thereto in Section 18 of this Agreement;
- (f) **"Co-Owners"** means the owners from time to time of Interests and who have signed a counterpart of this Agreement, and shall include the Purchaser, as well as the Vendor to the extent that it retains any Interest, and **"Co-Owner"** means any of the Co-Owners;
- (g) **"Co-Owners Record"** has the meaning ascribed thereto in Section 11 of this Agreement;
- (h) **"CRA"** means the Canada Revenue Agency, established pursuant to the *Canada Revenue Agency Act*, S.C. 1999, c. 17, which administers tax laws of Canada, including under the *Income Tax Act*, for the Government of Canada;
- (i) **"Declaration of Trust"** means the declaration of trust executed by the Nominee concurrently with the completion by a Co-Owner of the purchase from the Vendor of an Interest and pursuant to which the Nominee declares and confirms that it holds registered title to the Property in trust for and on behalf of such Co-Owner, to the extent of such Co-Owner's respective Interest. For greater certainty, **"Declaration of Trust"** includes the declaration of trust executed by the Nominee upon the completion by a Co-Owner of the Transfer of an Interest to a transferee in accordance with the provisions of this Agreement, and includes the declaration of trust executed by the Nominee in favour of the Vendor at the time of its acquisition of the Property;
- (j) **"Designated Person"** shall have the meaning ascribed thereto in Section 10 of this Agreement;

- (k) **"Dispute"** shall have the meaning ascribed thereto in Section 31 of this Agreement;
- (l) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), as amended from time to time, including the regulations made pursuant thereto;
- (m) **"HST"** means the harmonized sales tax payable pursuant to the *Excise Tax Act*, including the Province of Ontario's portion thereof;
- (n) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended from time to time, including the regulations made pursuant thereto;
- (o) **"Initial Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (p) **"Interest"** means the undivided beneficial interest in the Property purchased by a Co-Owner pursuant to a Sale and Purchase Agreement, and includes any undivided beneficial interest in the Property continued to be owned by the Vendor, and **"Interests"** means every Interest;
- (q) **"Land Transfer Tax Act"** means the *Land Transfer Tax Act*, R.S.O. c.L.6, as amended;
- (r) **"LTT"** means the land transfer tax payable pursuant to the *Land Transfer Tax Act*;
- (s) **"Net Income"** shall have the meaning attributed thereto in Section 6(j) of this Agreement;
- (t) **"Notice Requisitioning an Ordinary Resolution"** shall have the meaning attributed thereto in Section 8 of this Agreement;
- (u) **"Notice Requisitioning a Special Resolution"** shall have the meaning attributed thereto in Section 10 of this Agreement;
- (v) **"Offer"** shall have the meaning attributed thereto in Section 19 of this Agreement;
- (w) **"Operator"** means LV IV Capital Management Inc., or the Designated Person that may be appointed as the Operator's replacement as determined in accordance with Section 10 of this Agreement;
- (x) **"Ordinary Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 51% of the aggregate Interests in the Property;
- (y) **"Planning Activities"** means the reports, plans, studies, audits, assessments, investigations, legal proceedings, procedures, filings, submissions, applications and/or any other actions taken or made in respect of or in furtherance of the rezoning of, or other land use planning matters related to, the Property;
- (z) **"Property"** means the real property legally described on Schedule "1" annexed hereto;
- (aa) **"Retained Interest"** shall have the meaning attributed thereto in Section 23 of this Agreement;
- (bb) **"Sale and Purchase Agreement"** means the agreement of sale and purchase, or an agreement substantially in the form of the agreement of sale and purchase, entered into

between the Vendor, as vendor, and each Co-Owner (other than the Vendor), as purchaser, pursuant to which each Co-Owner agreed to acquire its respective Interest in the Property. **"Sale and Purchase Agreements"** means every Sale and Purchase Agreement;

(cc) **"Special Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 85% of the aggregate Interests in the Property;

(dd) **"Transfer"** shall have the meaning ascribed thereto in Section 11 of this Agreement; and

(ee) **"Vendor"** means TSI-LV IV International Canada Inc.

2. INTERPRETATION

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the division of this Agreement into Articles, paragraphs, subparagraphs and schedules and the insertion of headings are provided for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(b) all references to currency herein are references in Canadian dollars;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

(d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;

(e) all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.

3. TITLE

Legal title to the Property shall be held in the name of the Nominee, which shall hold such title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Vendor, to the extent of its Retained Interest, if any.)

4. MAILING ADDRESSES

The mailing address of the Nominee, the Vendor and the Operator shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee, the Vendor and/or the Operator may change its mailing address from time to time by giving notice in writing to that effect to all Co-Owners, pursuant to the notice provisions contained in this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF THE NOMINEE AND OPERATOR

- (a) The Nominee represents and warrants to each of the Co-Owners that:
 - (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite power, capacity and corporate authority to act as nominee and to perform its obligations under this Agreement;
 - (iii) it shall not carry on any business other than for the purposes set forth in this Agreement;
 - (iv) it holds and shall continue to hold legal title to the Property as nominee and bare trustee for and on behalf of each Co-Owner to the extent of each Co-Owner's Interest; and
 - (v) it shall only deal with the Property in the manner and as provided for in this Agreement.
- (b) The Operator represents and warrants to each of the Co-Owners that:
 - (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite capacity and corporate authority to act as Operator, and to perform its obligations under this Agreement; and
 - (iii) it shall comply with its obligations as provided for in this Agreement.

6. OPERATION AND MANAGEMENT OF THE PROPERTY

The Co-Owners hereby appoint the Operator and the Operator hereby accepts the appointment as the operator and manager of the Property and agrees to undertake such Planning Activities as the Operator may determine in its discretion, acting reasonably, are required to rezone the Property to such use or uses as the Operator shall determine, acting reasonably, and in the best interest of the Co-Owners. The Operator agrees to carry out such Planning Activities and to operate and manage the Property in good faith and in the best interest of the Co-Owners. The Operator agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and to proceed diligently to make all necessary applications to rezone the Property to such use or uses as the Operator shall determine, in its reasonable discretion, and to use its reasonable commercial efforts, at the cost and expense of the Co-Owners, with such costs to be defrayed out of the Concept Planning Fund initially, to obtain all necessary approvals and consents from applicable governmental authorities in connection therewith. Subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have such general powers and authority to administer, manage, control, operate, finance, refinance, develop, lease, grant easements and other rights in, under and over, the Property and to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement, affidavit or document necessary for or incidental to any of the foregoing, for and on behalf and in the name of the Co-Owners, or as the Co-Owners may so direct by Special Resolution. No person dealing with the Operator

will be required to enquire into the authority of the Operator to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf or in the name of the Co-Owners.

Without limiting the generality of the foregoing provisions of this Section 6, but subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have the following specific powers and authorities without further authority or approval from the Co-Owners:

- (a) to engage such professional advisers and consultants as the Operator considers advisable in order to perform its duties hereunder;
- (b) to open and operate one or more bank accounts in its name, as agent for the Co-Owners in respect of the Property with a Canadian chartered bank or trust company, into which the Operator may deposit all rentals, if any, and other income earned from the Property (if any) (which for greater certainty shall not include the Concept Planning Fund), and out of which account(s) all expenses properly relating to the Property shall be paid, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of such funds to cover all such expenses;
- (c) to execute, deliver and carry out all other agreements which require execution by or on behalf of the Co-Owners with respect to the Property, including without limitation, any agreements required by any governmental or statutory authority having jurisdiction over or with respect to the Property, development agreements, site plan agreements, cost sharing agreements, easements and rights of way;
- (d) to enter into lease and/or tenancy arrangements in respect of the Property or any part thereof and to collect all rentals and other income therefrom, if any, provided that nothing herein shall constitute a guarantee by the Operator of the payment of any rent by tenants;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Property out of the Concept Planning Fund, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of funds to cover all such expenses;
- (f) to commence or to defend on behalf of the Co-Owners, the Nominee, or itself, any and all actions and other proceedings pertaining to the Property or to the Co-Owners;
- (g) to determine the amount and type of insurance coverage, if any, to be maintained in order to protect the Property and the Co-Owners from all usual perils of the type covered in respect of comparable properties and in order to comply with the requirements of any lenders of funds;
- (h) to retain, employ and pay and discharge on behalf of the Co-Owners all servants, employees, advisors, consultants and/or contractors necessary to be retained for the management and operation of the Property, including, without limitation, for matters relating to its rezoning and development;
- (i) to contract on behalf of the Co-Owners for water, gas, electricity and other utility services and commodities, including cable and telephone services necessary for the development, operation and maintenance of the Property; and

(j) to distribute the Net Income from the ownership, operation, use, financing, refinancing, and/or sale of the Property (if any) to each Co-Owner, proportionate to its respective Interest. For the purposes of this Agreement, "**Net Income**" shall mean the gross receipts (which, for greater certainty, shall not include the Concept Planning Fund) derived in any way from dealing with the Property, received by or on behalf of the Co-Owners from the ownership, operation, use, leasing, financing, refinancing, sale of, and/or development and/or any other dealing with of the Property, minus the aggregate of all proper expenses and charges incurred in connection therewith, calculated on an accrual basis, including:

- (i) payment of principal and interest owing to mortgagees or other encumbrancers, or other lenders;
- (ii) realty taxes, property tax assessments, charges or levies made by any duly constituted governmental or statutory authority, due and owing and secured by a right or apparent right to claim a lien or charge upon the Interests, or any of them, or the Property, and money due and owing from improvements to the Property secured by a lien or charge in favour of materialmen or workmen or trade contractors or other like persons or corporations upon the Interests, or any of them, or the Property;
- (iii) all costs and expenses of any sale, financing or refinancing;
- (iv) all development costs and expenses;
- (v) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
- (vi) lighting, electricity and public utilities costs and expenses;
- (vii) professional fees reasonably attributed to the Property, its operation, use, financing, refinancing, sale and/or development;
- (viii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-Owners on account of capital or distribution of Net Income; and
- (ix) reserves in such amount as deemed appropriate by the Operator from time to time, including without limitation for the purposes of replacement of major equipment, major renovations and repairs, leasehold improvements, marketing costs and any other reserves normally required for the prudent operation, use, financing, refinancing, sale and/or development of a like property.

Each Co-Owner shall have a proportionate beneficial interest in all of the gross cash receipts derived from the Property and shall be responsible for its proportionate share of the expenses and charges incurred in connection with the Property, in each case proportionate to its respective Interest. Each Co-Owner hereby irrevocably directs the Operator to pay its proportionate share of such expenses and charges out of its proportionate share of such gross cash receipts, as well as out of the Concept Planning Fund.

Each Co-Owner hereby confirms and acknowledges that neither the Operator nor any of its officers, directors, employees, advisors, consultants, agents or representatives has made any warranty or representation, or given any advice:

(k) as to or in respect of the tax treatment of the purchase, disposition or holding of the Interest by a Co-Owner; or

(l) as to the timing of the rezoning or sale or development of the Property or the returns attainable by the Co-Owners upon a sale or lease of or other dealing with the Property.

Each Co-Owners acknowledges that he has been advised to seek his own independent legal and tax counsel prior to entering into a Sale and Purchase Agreement and this Agreement.

7. AUTHORITY TO WITHHOLD

The Operator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-Owner pursuant to the provisions of the *Income Tax Act* and to make payment of any such amount on behalf of a Co-Owner to the CRA, on account of taxes as may be required by law.

8. POWERS EXERCISABLE BY ORDINARY RESOLUTION

Notwithstanding anything to the contrary contained in this Agreement, the following powers shall only be exercisable by the Operator after an Ordinary Resolution is passed by the Co-Owners:

- (a) approving the sale or exchange of all or any part of the Property (other than the sale of Interests by the Operator pursuant to Sale and Purchase Agreements);
- (b) approving a proposal or plan to develop the Property;
- (c) subject to Section 17, consenting to the amendment of this Agreement, provided that, no amendment to this Agreement shall impose or increase any financial or other obligations upon any of the Nominee of the Operator, or in any way adversely affect the Nominee or the Operator, without the prior written approval of the Nominee or the Operator, as the case may be;
- (d) approving or ratifying the making of an Additional Advance by the Operator, in accordance with Section 18; or
- (e) requiring that the financial statements for the Property be audited.

Other than a matter which under the terms of this Agreement requires a Special Resolution, the Operator may at any time and from time to time by notice in writing to all Co-Owners substantially in the form annexed hereto as Schedule "2" (the "**Notice Requisitioning an Ordinary Resolution**") request the Co-Owners to consider and approve any matter relating to the Property not requiring a Special Resolution. The Notice Requisitioning an Ordinary Resolution shall specify with reasonable detail the matter to be approved by the Co-Owners.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution. If the Operator fails to deliver such Notice Requisitioning an Ordinary Resolution within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or a group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the

Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution which the Operator failed to deliver within the time provided in this Section 8 for the Operator to do so.

9. POWERS EXERCISABLE BY SPECIAL RESOLUTION

The following powers shall only be exercisable by Special Resolution passed by the Co-Owners:

- (a) terminating the appointment of the Operator and appointing a new Operator from time to time, in accordance with the provisions of Section 10;
- (b) instituting or continuing an action or suit against the Operator for damages based upon the fraud or gross negligence of the Operator in the performance of its obligations under this Agreement;
- (c) requiring the Operator to remove the incumbent independent firm of chartered accountants qualified in Canada appointed pursuant to Section 16 and requiring the Operator to appoint a replacement; or
- (d) appointing a replacement for the Nominee in the event that the Nominee should be wound up or dissolved or be declared a bankrupt, such replacement to hold legal title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Operator if it retains any Retained Interest.)

10. CONTROL AND AUTHORITY VESTS WITH CO-OWNERS

The Co-Owners may by Special Resolution terminate and remove the Operator (in its capacity as Operator and not as a Co-Owner) and appoint a new Operator in its place and stead. Such new Operator shall be bound by all of the terms of this Agreement and shall execute an agreement confirming that it is bound under this Agreement as if it was an original signatory thereto.

Upon termination, the Operator terminated shall forthwith upon request of the person designated in the Special Resolution as the replacement Operator (the "**Designated Person**") do the following:

- (a) deliver all agreements, documents, instruments, books and records and writings relating to the Property in its possession to the Designated Person, including, without limitation, the Co-Owners Record;
- (b) execute and deliver such consents, acknowledgements and assignments pertaining to the Property and any Planning Activities as the Designated Person may require;
- (c) cause its representatives on the board of directors of the Nominee to execute resignations as directors and officers forthwith after being required to do so by the Designated Person, provided the Nominee shall continue to indemnify such directors and officers in accordance with its by-laws in existence at the date hereof;
- (d) execute and deliver a release in form and content satisfactory to the Designated Person, acting reasonably, releasing the Nominee and the Co-Owners from any liability, provided that: (i) the release by the Operator shall not release the Co-Owners from their obligation to continue to indemnify the Operator pursuant to Section 21 hereof; and (ii) the

Operator receives a release in form and content satisfactory to the Operator, acting reasonably, executed by the Nominee and by the Designated Person for and on behalf of itself and each of the Co-Owners, releasing the Operator from any liability, and the Co-Owners expressly acknowledge and agree that the Designated Person shall have the power and authority to deliver such release, without any further approval or authorization required from the Co-Owners;

(e) do all things necessary and execute all necessary documents to effect the change of shareholders of the Nominee as directed by the Designated Person; and

(f) otherwise co-operate and assist to carrying out and giving effect to each of the actions set out in Section 10(a), (b), (c), (d) and (e) above.

The Operator may at any time and from time to time by notice in writing, substantially in the form annexed hereto as Schedule "3" (the "**Notice Requisitioning a Special Resolution**") to all Co-Owners, request the Co-Owners to consider and approve any matter relating to the Property requiring a Special Resolution pursuant to the terms of this Agreement. The Notice Requisitioning a Special Resolution shall specify with reasonable detail the matter to be considered and approved by Special Resolution.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning a Special Resolution with respect to any matter relating to the Property, including any matter requiring a Special Resolution pursuant to this Agreement. If the Operator fails to deliver such Notice Requisitioning a Special Meeting within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the Notice Requisitioning a Special Resolution which the Operator failed to deliver within the time provided in this Section 10 for the Operator to do so.

11. CO-OWNERS RECORD AND TRANSFERS OF INTEREST

The Operator shall record and at all times maintain and keep up to date a record of the names, addresses and other contact information for the Co-Owners, and the Interest held by each of the Co-Owners as well as particulars of any Transfer of Interests (collectively, the "**Co-Owners Record**").

No Co-Owner shall sell, transfer, assign, mortgage, pledge, grant a security interest or otherwise encumber or dispose of its Interest in the Property (each, a "**Transfer**"), except in compliance with any applicable requirements of the *Securities Act* (Ontario) and any other applicable legislation and otherwise in accordance with the provisions of this Agreement, if and to the extent required.

A Co-Owner may Transfer an Interest or part thereof provided that such Co-Owner complies and satisfies each of the following conditions:

(a) the transferor first delivers to the Operator an original or notarial copy of the executed document or instrument effecting the Transfer which shall be in such form as may be acceptable to the Operator, acting reasonably;

(b) the transferee agrees in writing and in such form as may be acceptable to the Operator, to be bound by the terms of this Agreement and upon completion of the Transfer to

assume the obligations of the transferor under this Agreement in respect of the Interest subject to the Transfer;

(c) the transferor delivers or causes to be delivered to the Operator a direction addressed to both the Nominee and the Operator, in form and substance satisfactory to the Operator and the Nominee, directing the Nominee to execute and deliver a Declaration of Trust for the Interest subject to the Transfer in favour of the transferee;

(d) the transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Operator by reason of the Transfer;

(e) the transferee pays all applicable HST pursuant to the *Excise Tax Act*, and all applicable LTT pursuant to the *Land Transfer Tax Act*, and makes or causes to be made any and all necessary filings, payments and remittances within the time periods required therefor under the provisions of the *Excise Tax Act* and the *Land Transfer Tax Act* and the respective regulations thereunder;

(f) the transferor either provides the transferee with evidence reasonably satisfactory to the transferee that the transferring Co-Owner is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* or provide the transferee with a certificate pursuant to subsection 116(2) of the *Income Tax Act* with a certificate limit in an amount not less than the purchase price for the Interest subject to the Transfer; provided that if such evidence or certificate is not forthcoming, the transferee shall be entitled to make the payment of tax required under section 116 of the *Income Tax Act* and to deduct such payment from the purchase price for the Interest subject to the Transfer;

(g) the transferee executes and delivers to the Operator a counterpart of the Agreement; and

(h) the transferor provides such other documents, agreements, acknowledgements and confirmations as may be required by the Operator or by law (including compliance by the transferring Co-Owner with the provisions of the *Securities Act* (Ontario) if and to the extent applicable).

When a transferee of an Interest is entitled to become a Co-Owner pursuant to the provisions hereof, the Operator will:

(i) record a Transfer of the Interest; and

(j) forward a Declaration of Trust to the transferee in respect of the Interest so transferred.

For the avoidance of doubt, a Transfer by Co-Owner may include a transfer into trust, in which case the terms "sale and purchase agreement", "Purchaser", "purchase", "purchased", and "sale", wherever such terms appear in this Agreement, shall be read so as to recognize that such Transfer is not a purchase and sale transaction between a Co-Owner and a purchaser but a transaction in the nature of a transfer into trust by the transferring Co-Owner to a trustee. Nothing in this Section 11 shall be construed to affect the provisions of Section 12 of this Agreement.

12. OPERATOR NOT BOUND TO SEE TO TRUST OR EQUITY

Other than pursuant to the terms of the Declaration of Trust, the Operator shall not be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any Interest is subject, or to ascertain or inquire whether any sale or transfer of any such Interest by any Co-Owner or by his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded by the Operator as the Co-Owner.

13. INCAPACITY, DEATH, INSOLVENCY OR BANKRUPTCY

Where a person becomes entitled to an Interest by incapacity, death, insolvency or bankruptcy of a Co-Owner or otherwise by operation of law, in addition to the requirements of Section 11 hereof, that person will not be recorded as or become a Co-Owner until:

- (a) he produces evidence satisfactory to the Operator of such entitlement; and
- (b) he has delivered such other evidence, approvals and consents in respect of such entitlement as the Operator may require and as may be required by applicable law or by this Agreement.

14. DECLARATIONS OF TRUST

A separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of a Co-Owner to the extent of the Co-Owner's Interest. Provided that the Transfer of an Interest has been effected in accordance with the provisions of Section 11 of this Agreement, a separate Declaration of Trust shall be executed and delivered by the Nominee to each transferee Co-Owner of an Interest from a transferring Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of the transferee Co-Owner to the extent of such Co-Owner's Interest.

15. LOST DECLARATIONS OF TRUST

Where a Co-Owner by notice in writing advises the Operator that the Declaration of Trust with respect to such Co-Owner's Interest has been defaced, lost or destroyed or wrongly taken, the Operator may cause a new Declaration of Trust to be issued, provided that the Co-Owner files with the Operator an indemnity in such form as is satisfactory to the Operator to indemnify the Operator, the Nominee and the other Co-Owners from any loss, cost, liability or damages that it or they may incur or suffer by complying with the request to issue a new Declaration of Trust, and provided further that the Co-Owner satisfies all other reasonable requirements of the Operator, including delivery of a form of proof of loss.

16. BOOKS AND RECORDS AND FINANCIAL REPORTS

The Operator will keep or cause to be kept on behalf of the Co-Owners at the Operator's principal place of business in Ontario:

- (a) full and accurate books of account and records of all financial transactions relating to the Property including, without limitations, the receipts and expenditures relating to the Property and the Concept Planning Fund;
- (b) the Co-Owners Record setting out the name and address of each Co-Owner; and
- (c) copies this Agreement and all counterparts.

At any time upon 10 Business Days written notice to the Operator a Co-Owner may request the Operator to examine any of the documents noted in clauses (a) and (b) above at the office of the Operator and may take copies thereof provided that such requesting Co-Owner pays the reasonable cost to the Operator for making such copies, provided further that any such requesting Co-Owner shall have first provided an affidavit and undertaking, in form and substance satisfactory to the Operator, acting reasonably, duly sworn before a notary public or other individual authorized to administer oaths in the jurisdiction of residence of the

Purchaser, stating: (aa) the name and address of such requesting Co-Owner, and that the Co-Owner is a Co-Owner; (bb) that the Co-Owners Record shall not be used by the requesting Co-Owner or any other person except in connection with a *bona fide* effort to influence the voting by Co-Owners on an Ordinary Resolution or a Special Resolution; (ccc) that the information so provided is subject to applicable privacy rules and regulations; (ddd) that none of the information provided pursuant to clause (a) above shall be disclosed by or on behalf of the requesting Co-Owner to any person who is not a Co-Owner, that such information is proprietary to the Operator and the Co-Owners, and that its disclosure could cause irreparable harm to the other Co-Owners and the Operator; (eee) that the requesting Co-Owner will not, directly or indirectly, offer for sale or purchase, or otherwise traffic in, a list or copy of a list of the Co-Owners or any information contained in the Co-Owners Record; (fff) the requesting Co-Owner acknowledges and agrees that in the event of a breach of any of the covenants, provisions and restrictions in affidavit, the Co-Owners' and Operator's remedy in the form of monetary damages may be inadequate and that the Operator, for itself and on behalf of the other Co-Owners, shall be authorized and entitled, in addition to all other rights and remedies available to it and them, to apply for and obtain from any court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach; and (ggg) that the requesting Co-Owner shall indemnify and hold harmless the Operator and the Nominee and the other Co-Owners from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee or the other Co-Owners by reason of any breach by such requesting Co-Owner of any of the covenants, provisions and restrictions contained in the affidavit.

The Operator shall provide or cause to be provided to each Co-Owner not later than 120 days after the end of each calendar year, financial statements showing the financial results for the Property for such calendar year. The Operator shall retain, at the expense of the Co-Owners, an independent firm of chartered accountants qualified in Canada to prepare such financial statements. Such financial statements shall contain a balance sheet, and a statement of cash flows and shall be prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") applicable to the real estate industry in Canada and applied on a consistent basis from year to year. The financial statements shall not be required to be audited unless the Co-Owners by Ordinary Resolution require audited financial statements. For greater certainty, the funds in the Concept Planning Fund are hereby recognized as being the funds of the Operator, not of the Co-Owners.

17. AMENDMENT OF AGREEMENT

This Agreement may be amended in writing on the initiative of the Operator with the consent of the Co-Owners given by Ordinary Resolution. Notwithstanding the foregoing, the Operator may, without any prior notice to or consent from the Co-Owners amend any provision of this Agreement from time to time:

- (a) to cure an ambiguity or to correct or supplement any provision contained herein which, in the reasonable opinion of the Operator, may be defective or inconsistent with any other provision contained herein, and with respect to which the cure, correction or supplemental provision does not and will not adversely affect the Interests of the Co-Owners; or
- (b) to make such other provisions in regard to matters or issues relating to or arising under this Agreement which, in the reasonable opinion of the Operator, do not and will not adversely affect the Interests of the Co-Owners.

The Operator agrees to inform the Co-Owners by written notice within 60 days following the effective date of an amendment to this Agreement and provide copies of the amending agreement within the said 60 days.

18. PLANNING ACTIVITIES AND CONCEPT PLANNING FUND

As agent for the Vendor, the Operator shall deposit an amount equivalent to the Concept Planning Fund Contribution (as such term is defined in each Sale and Purchase Agreement) received by the Vendor under every completed Sale and Purchase Agreement into a single, segregated account (the "**Concept Planning Fund**") to be in the name of the Operator and to be used by the Operator solely for the purpose of paying the costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities, and those costs and expenses enumerated in Section 6(j) of this Agreement.

The Concept Planning Fund is intended to be a deposit account. Each Co-Owner's respective proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Co-Owner following completion of the sale of the Property. Each Co-Owner's share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of this Agreement) will be paid by the Co-Owner and deducted from his proportionate share of any sale proceeds receivable by him, if and when the Property is sold or otherwise disposed of. Each Co-Owner hereby irrevocably authorizes and directs the Operator to withhold from his proportionate share of any amounts otherwise receivable by it under this Agreement the amount of any such shortfall, and to pay such amount to the Operator.

The Operator shall keep proper and accurate records and details of all expenses paid out of the Concept Planning Fund, and at the request of the Vendor, provide access to the Vendor's representatives to such records and details of expenses to permit the Vendor to satisfy itself that such expenses were paid in accordance with the provisions of this Agreement.

The Operator shall prepare, perform and take or cause to be prepared, performed and taken all Planning Activities as it determines in its reasonable discretion are necessary for and on behalf of the Co-Owners including, without limitation, the following:

- (a) surveys and concept plans in connection with the rezoning of the Property;
- (b) in the reasonable discretion of the Operator, engage all consultants and professionals including, without limitation, legal counsel with respect to rezoning of the Property or any other Planning Activities;
- (c) enter into or request the Nominee to enter into and deliver any documents, consent, acknowledgements or agreements including, without limitation, easements, rights in the nature of an easement, transfers, undertakings, applications, appeals and/or any other similar or related agreements or documents which may be required in the reasonable discretion of the Operator in connection with the Planning Activities;
- (d) pay for all costs and expenses associated with Planning Activities, municipal property taxes and the cost of maintaining the Property, out of the Concept Planning Fund, and if insufficient, out of additional funds provided by the Co-Owners; and
- (e) keep detailed records and accounts for or pertaining to the Planning Activities.

If the amount set aside in the Concept Planning Fund is not sufficient to defray all costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities and those costs and expenses enumerated in Section 6(j) of this Agreement, the Operator, in the exercise of its absolute discretion, and without the approval of the Co-Owners, may advance to the Co-Owners an amount or amounts on account of such shortfall to a maximum of 5% of the aggregate purchase prices paid by all Co-Owners for their respective Interests (collectively, the "**Initial Advance**"). The Initial Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance made to the Co-Owners out of the proceeds of the sale of the Property.

If the cost of Planning Activities exceeds the combination of the Concept Planning Fund and the Initial Advance, the Operator, as it deems necessary in the exercise of its absolute discretion but subject to the approval of the Co-Owners by way of an Ordinary Resolution, may advance to the Co-Owners additional amounts as may be required for such purposes (collectively, the "**Additional Advance**"). The Additional Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, after repayment of the Initial Advance, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance and the Additional Advance made to the Co-Owners out of the proceeds of the sale of the Property.

19. SALE OF THE PROPERTY

Any offer to purchase the Property received by the Operator or the Nominee, which the Operator deems acceptable (the "**Offer**") shall be presented to all of the Co-Owners for consideration and if approved by an Ordinary Resolution such Offer shall be accepted by the Nominee and such acceptance shall be binding upon all of the Co-Owners. Any sale of the Property by the Nominee resulting from an Offer the acceptance of which was approved by an Ordinary Resolution of the Co-Owners shall be deemed to include the sale by the Co-Owners of the Interests.

The Co-Owners hereby agree that Operator shall have the right, exercisable by notice in writing to the Co-Owners within 30 days after the Co-Owners have passed an Ordinary Resolution to accept the Offer, to purchase the Property at the same price and on the same terms and conditions as are contained in the Offer approved by Ordinary Resolution of the Co-Owners.

If the Operator fails to provide the notice exercising its right to purchase the Property on the same terms and conditions as are contained in the Offer within the said 30 days, then the Nominee shall accept the Offer and complete the transaction with the party that made the Offer the acceptance of which was approved by Ordinary Resolution of the Co-Owners.

20. HST AND LTT

Each of the Co-Owners hereby authorizes the Operator to make any and all filings, payments and/or remittances for HST with respect to the purchase by each Co-Owner of his respective Interest and any other payments of HST applicable to the services provided to the Nominee or in respect of the Property or the Interest of a Co-Owner.

Each Co-Owners hereby authorizes the Operator to carry out any HST reporting or filing obligations that are required in respect of the Interests or the Property. Such authority shall

include the execution of any documents that have to be or which may be advisable to be executed under the *Excise Tax Act*. The Operator shall to the extent required under the *Excise Tax Act* make and satisfy all filing and reporting obligations of a Co-Owner with respect to the Interest of the Co-Owner and shall provide each Co-Owner with copies of such filings and reports.

Each of the Co-Owners hereby authorizes the Operator to make any and all filings payments and/or remittances, from funds provided by the Co-Owner, relating to LTT arising from the purchase by each Co-Owner from the Vendor of his respective Interest in the Property. For greater certainty, each of the Co-Owners hereby authorizes the Operator on behalf of the Co-Owner and with the Co-Owner's funds to make any and all payments, remittances and filings under the provisions of the *Land Transfer Tax Act* relating to LTT and within the time period required therefor under the *Land Transfer Tax Act*, arising from the acquisition and/or ownership of the Interest. The Operator shall provide each Co-Owner with copies of such filings and evidence of the payments and remittances upon the written request of a Co-Owner.

21. POWER OF ATTORNEY

Each Co-Owner hereby nominates, constitutes and appoints each of the Operator and the Nominee, acting alone or together, with full power of substitution, as his true and lawful attorney and agent with full power and authority in his name, place and stead, for his use and benefit, to do the following, as fully and effectually as the Co-Owner could do if personally performed including, without limitation:

- (a) execute and deliver all such documents or instruments on behalf of and in the name of the Co-Owners, or any of them, as may be deemed necessary by the Operator to carry out fully the provisions of this Agreement in accordance with its terms;
- (b) execute, swear to, acknowledge, deliver, file and/or remit to or with the Ministry of Finance (Ontario) pursuant to the *Land Transfer Tax Act*, as amended, all necessary returns and payment or remittances in connection with the acquisition by the Co-Owners of their respective Interests in the Property;
- (c) execute, acknowledge, deliver and file and/or remit to or with the CRA, all necessary instruments, declarations, certificates and other documents, and remittances relating to HST;
- (d) execute, acknowledge, deliver and file as and where required any election made pursuant to subsection 273(1) of the *Excise Tax Act* as contemplated in each Purchase Agreement;
- (e) execute and deliver all conveyances, agreements, documents and other instruments pertaining to the sale, development, redevelopment, financing, refinancing or leasing of the Property as the Operator determines in its sole discretion is in the best interests of the Co-Owners, and as permitted by this Agreement or authorized by Ordinary Resolution or Special Resolution of the Co-Owners; and
- (f) execute, acknowledge, deliver and file any and all CRA non-resident personal income tax returns.

Each Co-Owner acknowledges and confirms that the power of attorney granted herein is made pursuant to the *Powers of Attorney Act* (Ontario) and is a power coupled with an interest, will survive the death, disability or other legal incapacity of the Co-Owner and will survive the assignment (to the extent of the Co-Owner's obligations hereunder) by the Co-Owner of the whole or any part of his Interest and extends to the heirs, executors, administrators, successors

and assigns of the Co-Owner and may be exercised by the Operator or the Nominee, acting alone or together, executing on behalf of the Co-Owners, or any of them, any instrument, by listing all of the Co-Owners to be bound by such instrument with a single signature as attorney and agent for all of them, or otherwise. Each of the Co-Owners agrees to be bound by any representations and actions made or taken in good faith and in accordance with the terms of this Agreement by the Nominee and/or the Operator pursuant to such power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Nominee or the Operator taken in good faith under such power of attorney. The Operator shall, at the written request of a Co-Owner, provide such Co-Owner with copies of any of the documents or instruments executed, sworn, delivered, acknowledged or remitted by the Operator for and on behalf of that Co-Owner only under the power of attorney provided for in this Section 21.

22. INDEMNIFICATION

Each of the Co-Owners hereby agrees, severally and not jointly or jointly and severally, to indemnify and hold harmless the Operator and the Nominee from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee, or by any one or more attorneys appointed by it or them under the power to substitute pursuant to the power of attorney provision contained in Section 21 above, by reason of acts, omissions or alleged acts or omissions arising out of the activities of the Operator or the Nominee on behalf of the Co-Owners or in furtherance of the Interests of the Co-Owners but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and in accordance with the Agreement.

23. VENDOR'S RIGHT TO RETAIN AN INTEREST

The Co-Owners acknowledge and agree that the Vendor has the right, but not the obligation, to retain an undivided beneficial Interest in the Property (a "**Retained Interest**"), to whatever extent it wishes, and the Vendor to the extent of any such Retained Interest shall for the purposes of this Agreement be a Co-Owner and be deemed to be bound by this Agreement. The Vendor may at any time and from time to time Transfer and assign all or any part of such Retained Interest to any person or persons it deems appropriate and upon such Transfer or assignment, the assignee or transferee thereof shall execute a counterpart of this Agreement and shall be a Co-Owner to the extent of the Retained Interest so transferred or assigned.

24. COMPETING INTERESTS

Each of the Co-Owners and the Operator is entitled, without the consent of any of the others of them, to own property and to carry on any business or activity whatsoever, whether of the same or different nature as that owned by or carried on by any of them, and whether or not in competition with the Interests, the Property or any activity carried on by any of them, and neither any Co-Owner nor the Operator shall be liable to account to any of the other of them.

25. NOTICES

Any notice or communication required or permitted to be given to the Nominee, the Vendor, the Operator or the Co-Owners hereunder shall be in writing and shall be given by delivery or by mailing to same to be addressed as follows:

- (a) To the Nominee, the Vendor or the Operator, at its respective mailing address provided in Section 4 above.

(b) To each Co-Owner at his last address shown on the Co-Owners Record maintained by the Operator.

Any notice or communication delivered as aforesaid shall be in the English language but may be accompanied by an unofficial translation and shall be deemed to have been given to the addressee on the day of delivery, if delivered by courier or, if mailed as aforesaid, shall be deemed to have been given to the addressee on the 10th Business Day following the mailing of such notice, provided that, for such purposes, no day during which there shall be a strike or other occurrence which shall interfere with normal mail services shall be considered a Business Day. If delivery of any notice or communication is made via fax, delivery shall be deemed to have been made on the day following the sending of the fax unless such day is not a Business Day, in which case delivery shall be deemed to have been made on the next Business Day.

26. FURTHER ACTS

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

27. BINDING EFFECT

Subject to the restrictions on Transfers herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.

28. SEVERABILITY

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts, by original or facsimile signature, with the same affect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement.

30. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, in the Country of Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

31. DISPUTE RESOLUTION

Any disputes, claims, disagreements, differences, (including, without limitation, interpretation, performance and enforcement) (collectively the "**Dispute**") that may arise between the Co-Owners or any of them and/or the Operator and/or the Nominee relating in any manner to this Agreement, the Property, or the Interests or any of them, shall attempted to be resolved by mediation and if such mediation is not successful, then by arbitration.

Upon written demand of the Nominee, the Operator or the Co-Owners or any them and within 10 days after such demand, the parties shall attempt to appoint a mediator. If within such period of time they are unable to agree on a mediator, the Dispute shall be resolved by arbitration. If the parties to the Dispute are unable to agree upon a single arbitrator within 10 days after a demand has been made by any party to the Dispute to appoint a single arbitrator then, any party to the Dispute may apply, to a Justice of the Superior Court of Justice sitting in the City of Toronto, in the Province of Ontario, Canada for the appointment of an arbitrator.

The arbitration shall proceed in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) and any amendments or successor legislation thereto, which provisions shall apply *mutatis mutandis*. The arbitrator shall have the power to determine the procedure for the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator.

The arbitrator shall proceed immediately to hear and determine the Dispute. The award of the arbitrator shall be made within 30 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrator shall be in writing and signed by the arbitrator, and shall be final and binding on the parties to the Dispute, not subject to any appeal, and the parties to the Dispute shall abide by the award and perform the terms and conditions thereof. The arbitration award shall deal with the costs of arbitration and all matters related thereto including the arbitrator's fees and expenses. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Unless otherwise mutually agreed, any mediation or arbitration of a Dispute shall take place in the Municipality of Metropolitan Toronto, in the Province of Ontario, in the Country of Canada.

32. NO INTENTION TO CREATE A PARTNERSHIP

The Co-Owners acknowledge, agree and declare that the entering into of this Agreement does not, and is not intended to, create a partnership, for any purpose. The Co-Owners further agree that nothing herein is to be construed as a limitation of the powers or rights of any Co-Owner to carry on its separate respective activities. Except for the Operator as contemplated in this Agreement, none of the Co-Owners shall have the right to bind any of the other Co-Owners, transact any business in any of the other Co-Owners names or on their behalf or incur any liability for or on behalf of any of the other Co-Owners. The Co-Owners agree that they shall each report their income or loss arising from the ownership of their Interests, for both accounting and income tax purposes, and to the applicable taxing authorities, as co-venture parties independent of one another, and not as partners in a partnership.

33. NO RIGHT TO PARTITION, ETC.

Each of the Co-Owners, by becoming a party to this Agreement, agrees and will be deemed to have agreed that he will not seek any remedy or right for the termination of this Agreement which would otherwise be available at law or in equity or for the termination of the co-ownership of the Property or which would otherwise be available pursuant to the *Partition Act*, R.S.O. 1980, c. 369,) and any amendments or successor legislation thereto, and each such Co-Owner shall be forever estopped from asserting otherwise and from seeking such remedy or right. In the event of any breach of the provisions of this Section 33 by a Co-Owner, the other Co-Owners and the Operator shall, in addition to all rights and remedies at law or in equity to which it is or they are otherwise entitled, be entitled to a decree or order

perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Co-Owner shall not plead in defence thereto that there would be an adequate remedy at law, it being acknowledged by all the parties hereto that the injury and damages flowing from any such breach would be impossible to measure monetarily.

34. TIME

Time shall be of the essence of this Agreement.

35. REFERENCE DATE

This Agreement is dated for reference as of the 15TH day of November, 2013.

IN WITNESS WHEREOF this Agreement is executed with effect as of the day and year first above written.

EXECUTED this 13TH day of NOVEMBER 2013 **CO-OWNER**
with effect as of the day and year first
above written.

WITNESS

✓ *Chiaki Hayashi*
SIGNATURE OF WITNESS

Signature of Witness

Print: CHIAKI HAYASHI

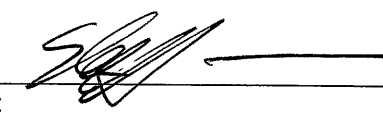
Mizue Fukiage ★
SIGNATURE OF CO-OWNER

Signature of Co-Owner

Print: MIZUE FUKIAGE

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

LONDON VALLEY IV INC.

Per: 

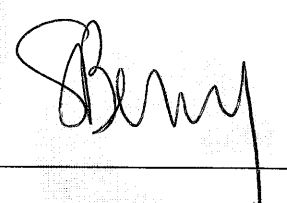
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

TSI-LV IV INTERNATIONAL CANADA INC.

Per: 

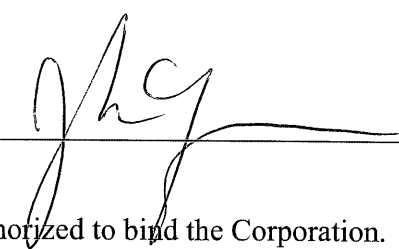
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

LV IV CAPITAL MANAGEMENT INC.

EXECUTED this 17TH day of JANUARY, 2014
with effect as of the day and year first
above written.

Per: 

Name: _____

Title: _____

I/We are authorized to bind the Corporation.

SCHEDULE "1"

Legal Description of Property

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

SCHEDULE "2"

NOTICE OF REQUISITION OF ORDINARY RESOLUTION

By Co-Owners

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: MIZUE FUKIAGE

Address: _____

Address: _____

Unit Identification No. LV IV56-LV IV105

By Operator

NOTICE IS HEREBY GIVEN that the undersigned requests the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned signed to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

LV IV CAPITAL MANAGEMENT INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

LV IV56-LV IV105-35640

Appendix 1

FORM OF ORDINARY RESOLUTION

The Undersigned Co-Owner hereby elects to

- () The Undersigned approves the following Resolution; or
 () The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: MIZUE FUKIAGE

Address: _____

Address: _____

Unit Identification No. LV IV56-LV IV105

Identification No. _____

SCHEDULE "3"

NOTICE OF REQUISITION OF SPECIAL RESOLUTION

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners to approve the Special Resolution attached hereto as Appendix I **by no later than** the _____ day of _____, 201__ (the "**Return Date**"). If the form of Special Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Special Resolution.

Dated the _____ day of _____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: MIZUE FUKIAGE

Address: _____

Address: _____

Unit Identification No. LV IV56-LV IV105

Identification No. _____

Appendix I

FORM OF SPECIAL RESOLUTION

The Undersigned Co-Owner hereby elects to

() The Undersigned approves the following Resolution; or

() The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the _____ day of _____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: MIZUE FUKIAGE

Address: _____

Address: _____

Unit Identification No. LV IV56-LV IV105

Identification No. _____

DECLARATION OF TRUST

Cert. No. LV IV JP 26b58a41da329e0cbde0cb956640a58

ID. 35640 UDL LV IV56-LV IV105

Interest: 50/512TH

This is to certify that _____ is

MIZUE FUKIAGE

the owner of an undivided beneficial 50/512TH interest (the "Interest") representing a value of Five Hundred Thousand dollars of lawful money of Canada (C\$500,000.00) in the real property located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster (the "Property") and that London Valley IV Inc., as the registered holder of title to the Property, declares and acknowledges that it is holding title to the Property in trust for and on behalf of MIZUE FUKIAGE, to the extent of the Interest.

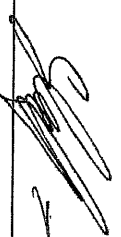
Reference is made to the co-owners agreement (the "Agreement") dated for reference as of the 15TH day of November, 2013 among the owner of the Interest named in the within Declaration of Trust, London Valley IV Inc. TSI-LV IV International Canada Inc., LV IV Capital Management Inc. and all other owners of undivided beneficial interests in the Property from time to time who execute a counterpart of the Agreement. The Agreement provides for certain rights and obligations of the owners of undivided beneficial interest in the Property.

This Declaration of Trust and the Interest represented hereby are not transferable by delivery but only by the registered holder hereof, or by his agent duly authorized in writing, upon compliance with the provisions of the Agreement, including delivery to TSI-LV IV International Canada Inc. at its principal office in Mississauga, Ontario, of this Declaration of Trust together with a duly executed transfer of beneficial interest in the form required by TSI-LV IV International Canada Inc.

IN WITNESS WHEREOF London Valley IV Inc. and TSI-LV IV International Canada Inc. have caused this Declaration of Trust to be signed by its duly authorized officers this 17TH day of JANUARY 2014.

LONDON VALLEY IV INC.

Per: _____



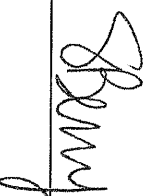
Name: _____

Title: _____

I/We have authority to bind the Corporation

TSI-LV IV INTERNATIONAL CANADA INC.

Per: _____



Name: _____

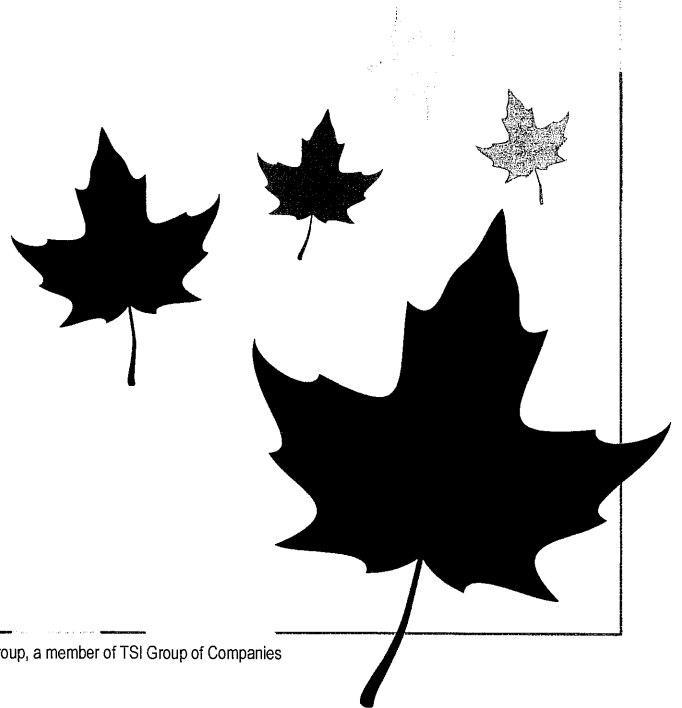
Title: _____

I/We have authority to bind the Corporation



LONDON VALLEY IV INC.

HIRONORI KOBAYASHI



AGREEMENT OF SALE AND PURCHASE dated the 10TH day of JANUARY, 2014.

BETWEEN

HIRONORI KOBAYASHI,

Identification: DRIVER'S LICENSE (528701029170)

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

Phone Number: 81-776-27-5321

(hereinafter referred to as the "**Purchaser**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,

a corporation incorporated under the laws of the Province of Ontario,

(hereinafter referred to as the "**Vendor**");

-and-

LONDON VALLEY IV INC.,

a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Nominee**")

WHEREAS:

A. The Vendor is the beneficial owner of an undivided interest in a parcel of land described in Schedule "B" annexed to this Agreement (the "**Property**") and title to which Property is registered in the name of the Nominee.

B. The Vendor is engaged in the business of land banking, the prime focus of which is to locate and purchase raw land and to endeavour to rezone the land through the applicable land development process to an approved use determined by the Vendor to be suitable and appropriate in all of the circumstances, and to thereby enhance the value of the land.

C. The Purchaser acknowledges that rezoning of the Property is uncertain and may take many years to achieve, often six years or longer, and that there can be no assurance that rezoning will be obtained, or if obtained, to permit for such use or uses as were requested and/or otherwise on terms and conditions that are satisfactory.

D. The Vendor may from time to time sell undivided beneficial interests in the Property to various purchasers.

E. The Purchaser acknowledges that real estate investments are generally subject to various risks, including a lack of liquidity, the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), conditions of supply and demand for any particular type of real estate in the particular area, government regulations and changes thereto (including uncertainties and delays in zoning, subdivision and development regulatory approval processes, taxation of

property and environmental legislation), changes in governments and the political environment in the jurisdiction where the real estate is located, and sensitivity to interest rates, among other factors.

F. The Purchaser acknowledges having had the opportunity to review this Agreement and its schedules with its advisors and to conduct such due diligence investigations as the Purchaser deemed appropriate with respect to all matters pertaining to the Property and to the Vendor.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. SALE OF UNDIVIDED BENEFICIAL INTEREST IN LAND

1.1 The Purchaser hereby agrees to purchase from the Vendor and the Vendor hereby agrees to sell to the Purchaser a 135/512TH undivided beneficial interest in the Property (the "**Purchaser's Land Interest**").

1.2 The Purchaser's Land Interest will be identified by the following designated identification number: LV IV132-LV IV266

2. PURCHASE PRICE

2.1 The Purchaser shall pay the aggregate sum of Ten Thousand Dollars of lawful money of Canada (C\$10,000.00) for each 1/512TH undivided beneficial interest in the Property upon execution of this Sale and Purchase Agreement, of which Nine Thousand Five Hundred Dollars (C\$9,500.00) of lawful money of Canada will be paid on account of the purchase price for such interest, and Five Hundred Dollars (C\$500.00) of lawful money of Canada will be paid into a segregated account known as the "Concept Planning Fund" (the "**Concept Planning Fund**") to be used to defray costs, expenses and fees to be incurred in connection with the Property, as more particularly hereinafter described and as described in the Co-Owners Agreement (as such term is hereinafter defined).

2.2 The Purchaser hereby agrees to purchase the Purchaser's Land Interest for a total purchase price of ONE MILLION TWO HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED DOLLARS ONLY of lawful money of Canada (C\$1,282,500.00) (the "**Purchase Price**"), and to pay the amount of SIXTY SEVEN THOUSAND FIVE HUNDRED DOLLARS ONLY of lawful money of Canada (C\$67,500.00) into the Concept Planning Fund (the "**Concept Planning Fund Contribution**"). All references in this Agreement to payments of money being made shall mean lawful money of Canada.

2.3 The Purchase Price excludes applicable harmonized sales tax (the "**HST**") pursuant to the *Excise Tax Act*, R.S.C. 1985, c E-15, as amended (the "**ETA**") and the Purchaser agrees to pay the HST in addition to the Purchase Price and the Concept Planning Fund Contribution, unless the Purchaser has obtained and inserted (or instructed to be inserted) its HST registration number set forth below on the signing page of this Agreement, below its signature, prior to acceptance of this Agreement by the Vendor, in which case the Purchaser hereby represents and warrants that it is a registrant for HST purposes under the provisions of the ETA, under such registration number.

2.4 Included in the Purchase Price and the Concept Planning Fund Contribution, the Purchaser shall be responsible for the payment of land transfer tax ("**LTT**") under

the *Land Transfer Act*, R.S.O., c L.6. as amended (the "**LTTA**"), in the amount of EIGHTEEN THOUSAND FOUR HUNDRED FORTY EIGHT DOLLARS AND TWENTY EIGHT CENTS of lawful money of Canada (C\$18,448.28).

2.5 The Purchaser covenants to pay, make and submit all necessary payments, filings and remittances within the time periods required therefor under the provisions of the ETA, if applicable, and the LTTA, and the regulations thereunder. The Purchaser hereby authorizes the Vendor on behalf of the Purchaser and with the Purchaser's funds, to make any and all payments, filings and remittances within the time periods required therefore under the provisions of the ETA relating to HST, if applicable, and under the provisions of the LTTA relating to LTT required to be made by the Purchaser arising from its acquisition of the Purchaser's Land Interest. While the Vendor agrees to assist the Purchaser in submitting such payments, remittances and filings, for greater certainty, nothing herein contained shall oblige the Vendor to make any payments or remittances from its own resources or funds and all such payments and remittances and filings shall be the Purchaser's obligation.

2.6 Funds in the Concept Planning Fund shall be applied towards defraying future costs of every nature and kind related to the Property, including property management costs, costs, fees, and services incurred in connection with planning activities, development submissions, subdivision applications, operational costs and all other activities and matters concerning or related to the Property, as determined by the Operator (as such term is defined in the Co-Owners Agreement) which would be incurred by or on behalf of the Purchaser as a Co-Owner. The Concept Planning Fund is intended to be a deposit account. The Purchaser's proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Purchaser following completion of the sale of the Property. The Purchaser's proportionate share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of the Co-Owners Agreement) will be paid by the Purchaser (in its capacity as a Co-Owner) and deducted from its proportionate share of any sale proceeds receivable by it, if and when the Property is sold or otherwise disposed of.

3. PAYMENT OF THE PURCHASE PRICE

3.1 The Purchaser hereby agrees that the Purchase Price, the Concept Planning Fund Contribution, and all other amounts due and payable hereunder, shall be paid to the Vendor on the Closing Date (as hereinafter defined). Following the Closing Date, the Vendor shall deliver the Concept Planning Fund Contribution to the Operator for deposit into the Concept Planning Fund.

3.2 All payments of the Purchase Price, the Concept Planning Fund Contribution, and such other amounts shall be made through the appointed agent (the "**Vendor's Agent**"), the Vendor's authorised agent and representative in the jurisdiction of residence of the Purchaser, and the Vendor hereby directs the Purchaser to make all such payments to the Vendor's Agent, who is authorised by the Vendor to acknowledge receipt of the Purchase Price and other amounts paid hereunder.

4. CLOSING DATE, DELIVERIES, COSTS, NON-MERGER

4.1 The date on which this Agreement is signed by the Purchaser and is accepted and signed by the Vendor and the Nominee shall be the "**Closing Date**". On the Closing Date, in addition to delivering the Purchase Price and this Agreement, the Purchaser agrees to deliver to the Vendor's Agent a copy of the Co-Owners Agreement signed by the Purchaser.

4.2 Within ninety (90) days after the Closing Date, the Vendor agrees to deliver to the Purchaser the following documents (the "**Closing Documents**"):

- (a) this Agreement, duly executed by the Vendor and the Nominee;
- (b) a Declaration of Trust (as hereinafter defined), duly executed by the Nominee; and
- (c) the Co-Owners Agreement (as hereinafter defined), duly executed by the Nominee and Operator (as therein defined).

4.3 The Vendor shall pay for the cost of drafting and/or settling the Closing Documents. The Vendor shall not be obligated to pay any other costs associated with the purchase of the Purchaser's Land Interest.

4.4 This Agreement shall be irrevocable by the Purchaser for a period of 120 days following its execution and delivery to the Vendor or the Vendor's Agent. This Agreement shall only become binding upon the Vendor and the Nominee following the Vendor and the Nominee having each accepted this Agreement as signified by its respective execution of this Agreement where indicated below.

4.5 All representations, warranties and covenants of the Purchaser as set out in this Agreement shall not merge upon closing but shall survive closing and the Closing Date.

5. VENDOR REPRESENTATIONS AND WARRANTIES

5.1 The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in completing the sale and purchase transaction contemplated in this Agreement:

- (a) the Vendor is the beneficial owner of the Purchaser's Land Interest with good and marketable title thereto, subject to Section 6.1;
- (b) registered title to the Property and beneficial title to the Purchaser's Land Interest shall be good and marketable and clear and free from all mortgages, charges and financial liens on the Closing Date;
- (c) the Vendor has the right, power and authority to sell the Purchaser's Land Interest as contemplated in this Agreement;
- (d) the Vendor is a corporation properly constituted and in good standing under the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (e) the Vendor is not now and on the Closing Date will not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended from time to time.

6. EASEMENTS, LIENS, REGISTERED AGREEMENTS

6.1 Other than any mortgage, charge or financial lien which the Vendor is required to discharge pursuant to this Agreement, registered title to the Property, and beneficial title to the Purchaser's Land Interest, shall be subject to all other liens and encumbrances registered

on title to the Property on the Closing Date or which may be registered against the title to the Property after the Closing Date, including those registered in connection with the rezoning or development process relating to the Property, and including, without limitation, agreements with the applicable municipality or region, agreements with public regulated utilities, easements for the supply of domestic utility or telephone services to the Property or properties which are adjacent to the Property, 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 or its proposed development, other registered restrictions or covenants that run with the lands, and the restrictions and reservations in the Crown patent.

7. PURCHASER(S)' REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 The Purchaser represents and warrants to and covenants in favour of the Vendor as follows:

- (a) there are no liens, mortgages, judgements, executions or other encumbrances, related to or attaching to the Purchaser's Land Interest or any part thereof;
- (b) the Purchaser shall keep the Purchaser's Land Interest and every part thereof free and clear of all liens, mortgages, other encumbrances, judgements or executions. The Purchaser warrants and represents that all such liens, mortgages, judgements, executions other encumbrances, if any, shall be discharged and removed forthwith at the Purchaser's sole cost and expense and the Purchaser shall hold harmless the Vendor and all other beneficial owners of undivided interests in the Property from time to time against any and all claims, liabilities, actions, cause of actions, charges, demands and costs, including solicitors fees in connection therewith; and
- (c) the Purchaser will not register or cause to be registered this Agreement, the Co-Owners Agreement, notice of this Agreement, notice of the Co-Owners Agreement, notice of the Purchaser's Land Interest, or any caution against title to the Property and the Purchaser shall forthwith remove and discharge any such registration at its costs and expense, failing which the Vendor may do so at the cost and expense of the Purchaser.

7.2 The foregoing warranties, representations and covenants of the Purchaser shall not merge on closing but shall survive closing and the Closing Date.

8. PURCHASER(S)' PARTICULARS, NATURE OF VESTING OF BENEFICIAL TITLE

8.1 The Purchaser agrees and confirms that the personal information provided in Schedule "A" annexed hereto is true, accurate and complete and agrees to inform the Vendor in writing forthwith of any change in any of the information therein provided.

8.2 If there is more than one person that comprises the Purchaser, then the Purchaser's Land Interest will be held as joint tenants with right of survivorship unless the box below is initialled by the Purchaser in which case the Purchaser's Land Interest will be deemed to be held as tenants-in-common, in the percentages noted therein.

[] Purchaser elects to hold Purchaser's Land Interest as tenants- in -common and not as joint tenants, as follows: _____ as to _____%,
_____ as to _____%.

9. PRESENT STATE AND CONDITION OF PROPERTY

9.1 The Purchaser hereby agrees that the purchase of the Purchaser's Land Interest is on an "as is, where is basis" with no representations or warranties whatsoever made by the Vendor, other than as expressly set out in this Agreement.

10. TITLE INSURANCE

10.1 The Nominee as registered owner of the Property obtained title insurance upon acquiring the Property (the "**Title Insurance Policy**") in such form and in such amount and with such stipulations, limitations and qualifications respecting coverage as it deemed appropriate.

11. NOMINEE AS BARE TRUSTEE; DECLARATION OF TRUST

11.1 The Purchaser acknowledges that the registered title to the Property is held by the Nominee, as nominee and bare trustee for the Vendor to the extent of its undivided beneficial interest in the Property, and as nominee and bare trustee for others to the extent of their respective undivided beneficial interests in the Property, and that on completion of the transaction herein contemplated the Nominee will hold the registered title to the Property to the extent of the Purchaser's Land Interest as nominee and bare trustee for the Purchaser and others to the extent of their respective undivided beneficial interests in the Property.

11.2 The mailing address of the Nominee for receiving notices shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee may change its mailing address from time to time by giving notice in writing to that effect pursuant to the notice provisions contained in the Co-Owners Agreement.

11.3 The Nominee agrees to execute and deliver to the Purchaser a declaration of trust (the "**Declaration of Trust**") wherein it will confirm that, from and after the Closing Date, it is holding the title to the Property for and on behalf of the Purchaser, to the extent of the Purchaser's Land Interest, in the place and stead of the Vendor.

11.4 The Purchaser acknowledges that the registered title to the Property shall at all times be in the name of the Nominee.

12. NO RIGHT TO USE, OCCUPY OR ACCESS

12.1 The Purchaser agrees that it hereby waives all rights of use, occupation and rights of access to the Property, and any part thereof, in order to facilitate the future rezoning and ultimate subdivision and re-development of the Property, for the benefit of all Co-Owners. The provisions of this Section 12 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

13. CO-OWNERS AGREEMENT

13.1 The Purchaser agrees that concurrent with its execution and delivery of this Agreement, the Purchaser shall execute and deliver the agreement or a counterpart of the co-

owners agreement, a draft copy of which is annexed hereto as Schedule "C" (the "**Co-Owners Agreement**").

13.2 The Co-Owners Agreement shall govern, amongst other things, the following:

- (a) the rights and obligations of the Purchaser, as owner and any other owners of undivided beneficial interests in the Property;
- (b) any future sale, financing and/or development of the Property;
- (c) procedures for consent and approvals by the Co-Owners (as such term is defined in the Co-Owners Agreement);
- (d) appointing the Operator (as such term is defined in the Co-Owners Agreement) for and on behalf of the Co-Owners;
- (e) the rights and obligations of the Operator of the Property;
- (f) the obligation of the Nominee as registered holder of the title to the Property for an on behalf of the Co-Owners;
- (g) the right to transfer or assign the Purchaser's Land Interest or any part thereof and the terms conditions to be satisfied with respect to any such assignment or transfer; and
- (h) such other matters as are therein contained.

13.3 The Vendor shall not be obligated but shall have the right to retain an undivided beneficial interest in the Property to such extent as it may in its absolute discretion deem appropriate and thus be a co-owner thereof and with respect to such undivided beneficial interest it shall be subject to the terms of the Co-Owners Agreement and entitled to exercise the rights of a Co-Owner.

14. SUBDIVISION CONTROL PROVISIONS

14.1 The Vendor agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and this Agreement shall be effective to create an interest in the Property provided that the provisions of the *Planning Act* (Ontario) are complied with in connection with the transaction of sale and purchase of the Purchaser's Land Interest.

15. NO REPRESENTATIONS, WARRANTIES OR ADVICE

15.1 The Purchaser acknowledges that none of the Vendor, the Nominee, the Vendor's Agent nor anyone acting on its or their behalf has made any representations or warranties except as are expressly set forth in this Agreement or the Co-Owners Agreement, nor given any advice respecting the tax treatment relating to the purchase or disposition of the Purchaser's Land Interest or any part thereof or the Property, nor as to the timing of sale, rezoning or development of the Property nor with respect to any potential or anticipated profit to be derived or derivable from the Purchaser's Land Interest or the Property.

15.2 The Purchaser has been urged and advised to consult with the Purchaser's own respective advisors including legal and tax advisors, with respect to the purchase and other matters pertaining to the Property and the Purchaser's Land Interest and the Closing Documents.

16. SOURCE OF FUNDS

16.1 The Purchaser hereby represents, warrants, confirms and acknowledges that the source of the Purchaser's funds:

- (a) are not derived directly or indirectly from any crime;
- (b) are not linked directly or indirectly to any terrorists or against anti terrorist laws;
- (c) are not embargoed funds; and
- (d) are not obtained in violation of any laws or seeking to escape or avoid any tax laws;

16.2 The Purchaser covenants that all payments and remittances shall strictly comply , at its own expense, with all regulatory or exchange control provisions in force on the Closing Date and applicable to this Agreement.

16.3 The provisions of this Section 16 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

17. NOTICES

17.1 All notices required hereunder shall be in writing and in the English language and may be served either personally upon the parties or by electronic transmission namely by fax or email addressed to the Parties at their respective last known addresses, fax number or email address.

18. HEIRS, ASSIGNS, ETC.

18.1 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs , administrators, executors, successors and permitted assigns; provided that, the Purchaser shall not be entitled to assign this Agreement or any of its rights hereunder without the prior written approval of the Vendor, which approval may be withheld in its absolute discretion.

19. SUPERCEDING AGREEMENT

19.1 This Agreement shall supercede any and all previous discussions, representations, agreements or understandings made by or on behalf of either of the parties hereto for or relating to the purchase and sale of the Purchaser's Land Interest.

20. SCHEDULES

20.1 Schedules "A", "B" and "C" annexed hereto form an integral part of this Agreement and shall be read together with this Agreement.

21. COUNTERPARTS

21.1 This Agreement may be executed in any number of counterparts and by original or facsimile signature with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same Agreement.

22. LAWS AND JURISDICTION-ONTARIO

22.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

23. CAPTIONS

23.1 The captions of the sections of this Agreement are for convenience only and do not amplify or limit in any way the provisions hereof.

24. EFFECT OF PARTIAL INVALIDITY ON THIS AGREEMENT

24.1 In the event that any provision of this Agreement is illegal, void or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

25. FACSIMILE DOCUMENTS

25.1 The parties agree to accept facsimile executed documents, including Closing Documents, as if they were originally signed documents.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SET OUT BELOW.

WITNESSED BY:

DATE OF EXECUTION: 2014-01-10

THE PURCHASER

CHIAKI HAYASHI

Print Name of Witness

HIRONORI KOBAYASHI

Print Name of Purchaser

✓ *Chiaki Hayashi*
SIGNATURE OF WITNESS

Signature of Witness

Witness Identification Number

小 林 博 紀
SIGNATURE OF PURCHASER ★

Signature of Purchaser

HST Number:

804960508RT0001

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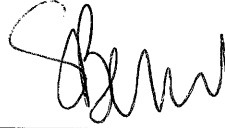
- 11 -

DATE OF EXECUTION: 2014-2-7

THE VENDOR:

TSI-LV IV INTERNATIONAL CANADA INC.

Per:



Name:

Title:

HST Number: 843 697 772 RT 0001

I/We have the authority to bind the Corporation.

DATE OF EXECUTION: 2014-2-7

THE NOMINEE:

LONDON VALLEY IV INC.

Per:



Name:

Title:

I/We have the authority to bind the Corporation.

LV IV132-LV IV266-35961

SCHEDULE "A" – PURCHASER(S) PARTICULARS

Information Concerning Purchaser(s):

1. PURCHASER:Full Name: HIRONORI KOBAYASHI

() Single () Married () Trustee – Indicate full name of Trust.

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064Home Telephone: 81-776-27-5321 Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: hironori@kobird.co.jpCountry of Birth: JAPAN

The following have been provided to the Vendor:

(✓) Driver's Licence () Passport () Other _____

2. Second or additional person as Purchaser:

Full Name: _____

() Single () Married () Trustee – Indicate full name of Trust.

Address: _____

Home Telephone: _____ Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: _____

Country of Birth: _____

The following have been provided to the Vendor:

() Driver's Licence () Passport () Other _____

SCHEDULE "B" – PROPERTY and NOMINEE

LEGAL DESCRIPTION OF PROPERTY

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

REGISTERED HOLDER OF LEGAL TITLE TO PROPERTY

LONDON VALLEY IV INC.

Office: 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3

Tel No: 1-905-602-7463

Fax No: 1-905-602-7460

SCHEDULE "C" – CO-OWNERS AGREEMENT

UNIT IDENTIFICATION NO. LV IV132-LV IV266**CO-OWNERS AGREEMENT****LONDON VALLEY IV INC.**

THIS CO-OWNERS AGREEMENT is dated the 15TH day of November, 2013.

BETWEEN:**HIRONORI KOBAYASHI,**

Identification: DRIVER'S LICENSE (528701029170)

Address: 413-2 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

(hereinafter referred to as the "**Purchaser**")

-and-

LONDON VALLEY IV INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Nominee**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Vendor**")

-and-

LV IV CAPITAL MANAGEMENT INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Operator**")

-and-

All other owners of undivided beneficial interests in the Property from time to time
who execute a counterpart of this Agreement(hereinafter collectively referred to as the "**Co-Owners**")**WHEREAS:**

1. Pursuant to a Sale and Purchase Agreement, the Vendor has sold to the Purchaser, and the Purchaser has purchased from the Vendor, an undivided beneficial interest in the Property;
2. The Nominee is the registered owner of the Property and has agreed to hold the Property as nominee and bare trustee for and on behalf of the Co-Owners from time to time;
3. Every purchaser of an undivided beneficial interest in the Property, every assignee of such purchaser, and every assignee of each such assignee, is required to execute and deliver a counterpart of this Agreement and shall be bound as a Co-Owner pursuant thereto; and

LV IV132-LV IV266-35961

4. This Agreement sets forth the provisions which govern the Co-Owners' ownership of undivided beneficial interests in the Property and any future sale, financing and/or development with the Property and their respective undivided beneficial interests therein.

NOW THEREFORE in consideration of the payment of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by each party to the other, the receipt of which is hereby acknowledged, and of the premises and the mutual covenants herein contained, the parties hereto hereby covenant and agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall be deemed to have the following meanings:

- (a) **"ASPE"** shall have the meaning ascribed thereto in Section 16 of this Agreement;
- (b) **"Additional Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (c) **"this Agreement"**, **"hereof"**, **"herein"**, **"hereunder"** and words to like effect, refer to this Co-Owners Agreement as a whole and not to any particular provision, as it may be amended, supplemented and/or restated from time to time;
- (d) **"Business Day"** means any day of the week other than a Saturday, Sunday or a day which is a statutory holiday, in Ontario, Canada;
- (e) **"Concept Planning Fund"** shall have the meaning ascribed thereto in Section 18 of this Agreement;
- (f) **"Co-Owners"** means the owners from time to time of Interests and who have signed a counterpart of this Agreement, and shall include the Purchaser, as well as the Vendor to the extent that it retains any Interest, and **"Co-Owner"** means any of the Co-Owners;
- (g) **"Co-Owners Record"** has the meaning ascribed thereto in Section 11 of this Agreement;
- (h) **"CRA"** means the Canada Revenue Agency, established pursuant to the *Canada Revenue Agency Act*, S.C. 1999, c. 17, which administers tax laws of Canada, including under the *Income Tax Act*, for the Government of Canada;
- (i) **"Declaration of Trust"** means the declaration of trust executed by the Nominee concurrently with the completion by a Co-Owner of the purchase from the Vendor of an Interest and pursuant to which the Nominee declares and confirms that it holds registered title to the Property in trust for and on behalf of such Co-Owner, to the extent of such Co-Owner's respective Interest. For greater certainty, **"Declaration of Trust"** includes the declaration of trust executed by the Nominee upon the completion by a Co-Owner of the Transfer of an Interest to a transferee in accordance with the provisions of this Agreement, and includes the declaration of trust executed by the Nominee in favour of the Vendor at the time of its acquisition of the Property;
- (j) **"Designated Person"** shall have the meaning ascribed thereto in Section 10 of this Agreement;

- (k) **"Dispute"** shall have the meaning ascribed thereto in Section 31 of this Agreement;
- (l) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), as amended from time to time, including the regulations made pursuant thereto;
- (m) **"HST"** means the harmonized sales tax payable pursuant to the *Excise Tax Act*, including the Province of Ontario's portion thereof;
- (n) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended from time to time, including the regulations made pursuant thereto;
- (o) **"Initial Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (p) **"Interest"** means the undivided beneficial interest in the Property purchased by a Co-Owner pursuant to a Sale and Purchase Agreement, and includes any undivided beneficial interest in the Property continued to be owned by the Vendor, and **"Interests"** means every Interest;
- (q) **"Land Transfer Tax Act"** means the *Land Transfer Tax Act*, R.S.O. c.L.6, as amended;
- (r) **"LTT"** means the land transfer tax payable pursuant to the *Land Transfer Tax Act*;
- (s) **"Net Income"** shall have the meaning attributed thereto in Section 6(j) of this Agreement;
- (t) **"Notice Requisitioning an Ordinary Resolution"** shall have the meaning attributed thereto in Section 8 of this Agreement;
- (u) **"Notice Requisitioning a Special Resolution"** shall have the meaning attributed thereto in Section 10 of this Agreement;
- (v) **"Offer"** shall have the meaning attributed thereto in Section 19 of this Agreement;
- (w) **"Operator"** means LV IV Capital Management Inc., or the Designated Person that may be appointed as the Operator's replacement as determined in accordance with Section 10 of this Agreement;
- (x) **"Ordinary Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 51% of the aggregate Interests in the Property;
- (y) **"Planning Activities"** means the reports, plans, studies, audits, assessments, investigations, legal proceedings, procedures, filings, submissions, applications and/or any other actions taken or made in respect of or in furtherance of the rezoning of, or other land use planning matters related to, the Property;
- (z) **"Property"** means the real property legally described on Schedule "1" annexed hereto;
- (aa) **"Retained Interest"** shall have the meaning attributed thereto in Section 23 of this Agreement;
- (bb) **"Sale and Purchase Agreement"** means the agreement of sale and purchase, or an agreement substantially in the form of the agreement of sale and purchase, entered into

between the Vendor, as vendor, and each Co-Owner (other than the Vendor), as purchaser, pursuant to which each Co-Owner agreed to acquire its respective Interest in the Property. **"Sale and Purchase Agreements"** means every Sale and Purchase Agreement;

(cc) **"Special Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 85% of the aggregate Interests in the Property;

(dd) **"Transfer"** shall have the meaning ascribed thereto in Section 11 of this Agreement; and

(ee) **"Vendor"** means TSI-LV IV International Canada Inc.

2. INTERPRETATION

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the division of this Agreement into Articles, paragraphs, subparagraphs and schedules and the insertion of headings are provided for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(b) all references to currency herein are references in Canadian dollars;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

(d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;

(e) all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.

3. TITLE

Legal title to the Property shall be held in the name of the Nominee, which shall hold such title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Vendor, to the extent of its Retained Interest, if any.)

4. MAILING ADDRESSES

The mailing address of the Nominee, the Vendor and the Operator shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee, the Vendor and/or the Operator may change its mailing address from time to time by giving notice in writing to that effect to all Co-Owners, pursuant to the notice provisions contained in this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF THE NOMINEE AND OPERATOR

- (a) The Nominee represents and warrants to each of the Co-Owners that:
 - (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite power, capacity and corporate authority to act as nominee and to perform its obligations under this Agreement;
 - (iii) it shall not carry on any business other than for the purposes set forth in this Agreement;
 - (iv) it holds and shall continue to hold legal title to the Property as nominee and bare trustee for and on behalf of each Co-Owner to the extent of each Co-Owner's Interest; and
 - (v) it shall only deal with the Property in the manner and as provided for in this Agreement.
- (b) The Operator represents and warrants to each of the Co-Owners that:
 - (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite capacity and corporate authority to act as Operator, and to perform its obligations under this Agreement; and
 - (iii) it shall comply with its obligations as provided for in this Agreement.

6. OPERATION AND MANAGEMENT OF THE PROPERTY

The Co-Owners hereby appoint the Operator and the Operator hereby accepts the appointment as the operator and manager of the Property and agrees to undertake such Planning Activities as the Operator may determine in its discretion, acting reasonably, are required to rezone the Property to such use or uses as the Operator shall determine, acting reasonably, and in the best interest of the Co-Owners. The Operator agrees to carry out such Planning Activities and to operate and manage the Property in good faith and in the best interest of the Co-Owners. The Operator agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and to proceed diligently to make all necessary applications to rezone the Property to such use or uses as the Operator shall determine, in its reasonable discretion, and to use its reasonable commercial efforts, at the cost and expense of the Co-Owners, with such costs to be defrayed out of the Concept Planning Fund initially, to obtain all necessary approvals and consents from applicable governmental authorities in connection therewith. Subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have such general powers and authority to administer, manage, control, operate, finance, refinance, develop, lease, grant easements and other rights in, under and over, the Property and to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement, affidavit or document necessary for or incidental to any of the foregoing, for and on behalf and in the name of the Co-Owners, or as the Co-Owners may so direct by Special Resolution. No person dealing with the Operator

will be required to enquire into the authority of the Operator to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf or in the name of the Co-Owners.

Without limiting the generality of the foregoing provisions of this Section 6, but subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have the following specific powers and authorities without further authority or approval from the Co-Owners:

- (a) to engage such professional advisers and consultants as the Operator considers advisable in order to perform its duties hereunder;
- (b) to open and operate one or more bank accounts in its name, as agent for the Co-Owners in respect of the Property with a Canadian chartered bank or trust company, into which the Operator may deposit all rentals, if any, and other income earned from the Property (if any) (which for greater certainty shall not include the Concept Planning Fund), and out of which account(s) all expenses properly relating to the Property shall be paid, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of such funds to cover all such expenses;
- (c) to execute, deliver and carry out all other agreements which require execution by or on behalf of the Co-Owners with respect to the Property, including without limitation, any agreements required by any governmental or statutory authority having jurisdiction over or with respect to the Property, development agreements, site plan agreements, cost sharing agreements, easements and rights of way;
- (d) to enter into lease and/or tenancy arrangements in respect of the Property or any part thereof and to collect all rentals and other income therefrom, if any, provided that nothing herein shall constitute a guarantee by the Operator of the payment of any rent by tenants;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Property out of the Concept Planning Fund, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of funds to cover all such expenses;
- (f) to commence or to defend on behalf of the Co-Owners, the Nominee, or itself, any and all actions and other proceedings pertaining to the Property or to the Co-Owners;
- (g) to determine the amount and type of insurance coverage, if any, to be maintained in order to protect the Property and the Co-Owners from all usual perils of the type covered in respect of comparable properties and in order to comply with the requirements of any lenders of funds;
- (h) to retain, employ and pay and discharge on behalf of the Co-Owners all servants, employees, advisors, consultants and/or contractors necessary to be retained for the management and operation of the Property, including, without limitation, for matters relating to its rezoning and development;
- (i) to contract on behalf of the Co-Owners for water, gas, electricity and other utility services and commodities, including cable and telephone services necessary for the development, operation and maintenance of the Property; and

(j) to distribute the Net Income from the ownership, operation, use, financing, refinancing, and/or sale of the Property (if any) to each Co-Owner, proportionate to its respective Interest. For the purposes of this Agreement, "**Net Income**" shall mean the gross receipts (which, for greater certainty, shall not include the Concept Planning Fund) derived in any way from dealing with the Property, received by or on behalf of the Co-Owners from the ownership, operation, use, leasing, financing, refinancing, sale of, and/or development and/or any other dealing with of the Property, minus the aggregate of all proper expenses and charges incurred in connection therewith, calculated on an accrual basis, including:

- (i) payment of principal and interest owing to mortgagees or other encumbrancers, or other lenders;
- (ii) realty taxes, property tax assessments, charges or levies made by any duly constituted governmental or statutory authority, due and owing and secured by a right or apparent right to claim a lien or charge upon the Interests, or any of them, or the Property, and money due and owing from improvements to the Property secured by a lien or charge in favour of materialmen or workmen or trade contractors or other like persons or corporations upon the Interests, or any of them, or the Property;
- (iii) all costs and expenses of any sale, financing or refinancing;
- (iv) all development costs and expenses;
- (v) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
- (vi) lighting, electricity and public utilities costs and expenses;
- (vii) professional fees reasonably attributed to the Property, its operation, use, financing, refinancing, sale and/or development;
- (viii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-Owners on account of capital or distribution of Net Income; and
- (ix) reserves in such amount as deemed appropriate by the Operator from time to time, including without limitation for the purposes of replacement of major equipment, major renovations and repairs, leasehold improvements, marketing costs and any other reserves normally required for the prudent operation, use, financing, refinancing, sale and/or development of a like property.

Each Co-Owner shall have a proportionate beneficial interest in all of the gross cash receipts derived from the Property and shall be responsible for its proportionate share of the expenses and charges incurred in connection with the Property, in each case proportionate to its respective Interest. Each Co-Owner hereby irrevocably directs the Operator to pay its proportionate share of such expenses and charges out of its proportionate share of such gross cash receipts, as well as out of the Concept Planning Fund.

Each Co-Owner hereby confirms and acknowledges that neither the Operator nor any of its officers, directors, employees, advisors, consultants, agents or representatives has made any warranty or representation, or given any advice:

(k) as to or in respect of the tax treatment of the purchase, disposition or holding of the Interest by a Co-Owner; or

(l) as to the timing of the rezoning or sale or development of the Property or the returns attainable by the Co-Owners upon a sale or lease of or other dealing with the Property.

Each Co-Owners acknowledges that he has been advised to seek his own independent legal and tax counsel prior to entering into a Sale and Purchase Agreement and this Agreement.

7. AUTHORITY TO WITHHOLD

The Operator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-Owner pursuant to the provisions of the *Income Tax Act* and to make payment of any such amount on behalf of a Co-Owner to the CRA, on account of taxes as may be required by law.

8. POWERS EXERCISABLE BY ORDINARY RESOLUTION

Notwithstanding anything to the contrary contained in this Agreement, the following powers shall only be exercisable by the Operator after an Ordinary Resolution is passed by the Co-Owners:

- (a) approving the sale or exchange of all or any part of the Property (other than the sale of Interests by the Operator pursuant to Sale and Purchase Agreements);
- (b) approving a proposal or plan to develop the Property;
- (c) subject to Section 17, consenting to the amendment of this Agreement, provided that, no amendment to this Agreement shall impose or increase any financial or other obligations upon any of the Nominee of the Operator, or in any way adversely affect the Nominee or the Operator, without the prior written approval of the Nominee or the Operator, as the case may be;
- (d) approving or ratifying the making of an Additional Advance by the Operator, in accordance with Section 18; or
- (e) requiring that the financial statements for the Property be audited.

Other than a matter which under the terms of this Agreement requires a Special Resolution, the Operator may at any time and from time to time by notice in writing to all Co-Owners substantially in the form annexed hereto as Schedule "2" (the "**Notice Requisitioning an Ordinary Resolution**") request the Co-Owners to consider and approve any matter relating to the Property not requiring a Special Resolution. The Notice Requisitioning an Ordinary Resolution shall specify with reasonable detail the matter to be approved by the Co-Owners.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution. If the Operator fails to deliver such Notice Requisitioning an Ordinary Resolution within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or a group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the

Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution which the Operator failed to deliver within the time provided in this Section 8 for the Operator to do so.

9. POWERS EXERCISABLE BY SPECIAL RESOLUTION

The following powers shall only be exercisable by Special Resolution passed by the Co-Owners:

- (a) terminating the appointment of the Operator and appointing a new Operator from time to time, in accordance with the provisions of Section 10;
- (b) instituting or continuing an action or suit against the Operator for damages based upon the fraud or gross negligence of the Operator in the performance of its obligations under this Agreement;
- (c) requiring the Operator to remove the incumbent independent firm of chartered accountants qualified in Canada appointed pursuant to Section 16 and requiring the Operator to appoint a replacement; or
- (d) appointing a replacement for the Nominee in the event that the Nominee should be wound up or dissolved or be declared a bankrupt, such replacement to hold legal title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Operator if it retains any Retained Interest.)

10. CONTROL AND AUTHORITY VESTS WITH CO-OWNERS

The Co-Owners may by Special Resolution terminate and remove the Operator (in its capacity as Operator and not as a Co-Owner) and appoint a new Operator in its place and stead. Such new Operator shall be bound by all of the terms of this Agreement and shall execute an agreement confirming that it is bound under this Agreement as if it was an original signatory thereto.

Upon termination, the Operator terminated shall forthwith upon request of the person designated in the Special Resolution as the replacement Operator (the "**Designated Person**") do the following:

- (a) deliver all agreements, documents, instruments, books and records and writings relating to the Property in its possession to the Designated Person, including, without limitation, the Co-Owners Record;
- (b) execute and deliver such consents, acknowledgements and assignments pertaining to the Property and any Planning Activities as the Designated Person may require;
- (c) cause its representatives on the board of directors of the Nominee to execute resignations as directors and officers forthwith after being required to do so by the Designated Person, provided the Nominee shall continue to indemnify such directors and officers in accordance with its by-laws in existence at the date hereof;
- (d) execute and deliver a release in form and content satisfactory to the Designated Person, acting reasonably, releasing the Nominee and the Co-Owners from any liability, provided that: (i) the release by the Operator shall not release the Co-Owners from their obligation to continue to indemnify the Operator pursuant to Section 21 hereof; and (ii) the

Operator receives a release in form and content satisfactory to the Operator, acting reasonably, executed by the Nominee and by the Designated Person for and on behalf of itself and each of the Co-Owners, releasing the Operator from any liability, and the Co-Owners expressly acknowledge and agree that the Designated Person shall have the power and authority to deliver such release, without any further approval or authorization required from the Co-Owners;

- (e) do all things necessary and execute all necessary documents to effect the change of shareholders of the Nominee as directed by the Designated Person; and
- (f) otherwise co-operate and assist to carrying out and giving effect to each of the actions set out in Section 10(a), (b), (c), (d) and (e) above.

The Operator may at any time and from time to time by notice in writing, substantially in the form annexed hereto as Schedule "3" (the "**Notice Requisitioning a Special Resolution**") to all Co-Owners, request the Co-Owners to consider and approve any matter relating to the Property requiring a Special Resolution pursuant to the terms of this Agreement. The Notice Requisitioning a Special Resolution shall specify with reasonable detail the matter to be considered and approved by Special Resolution.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning a Special Resolution with respect to any matter relating to the Property, including any matter requiring a Special Resolution pursuant to this Agreement. If the Operator fails to deliver such Notice Requisitioning a Special Meeting within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the Notice Requisitioning a Special Resolution which the Operator failed to deliver within the time provided in this Section 10 for the Operator to do so.

11. CO-OWNERS RECORD AND TRANSFERS OF INTEREST

The Operator shall record and at all times maintain and keep up to date a record of the names, addresses and other contact information for the Co-Owners, and the Interest held by each of the Co-Owners as well as particulars of any Transfer of Interests (collectively, the "**Co-Owners Record**").

No Co-Owner shall sell, transfer, assign, mortgage, pledge, grant a security interest or otherwise encumber or dispose of its Interest in the Property (each, a "**Transfer**"), except in compliance with any applicable requirements of the *Securities Act* (Ontario) and any other applicable legislation and otherwise in accordance with the provisions of this Agreement, if and to the extent required.

A Co-Owner may Transfer an Interest or part thereof provided that such Co-Owner complies and satisfies each of the following conditions:

- (a) the transferor first delivers to the Operator an original or notarial copy of the executed document or instrument effecting the Transfer which shall be in such form as may be acceptable to the Operator, acting reasonably;
- (b) the transferee agrees in writing and in such form as may be acceptable to the Operator, to be bound by the terms of this Agreement and upon completion of the Transfer to

assume the obligations of the transferor under this Agreement in respect of the Interest subject to the Transfer;

(c) the transferor delivers or causes to be delivered to the Operator a direction addressed to both the Nominee and the Operator, in form and substance satisfactory to the Operator and the Nominee, directing the Nominee to execute and deliver a Declaration of Trust for the Interest subject to the Transfer in favour of the transferee;

(d) the transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Operator by reason of the Transfer;

(e) the transferee pays all applicable HST pursuant to the *Excise Tax Act*, and all applicable LTT pursuant to the *Land Transfer Tax Act*, and makes or causes to be made any and all necessary filings, payments and remittances within the time periods required therefor under the provisions of the *Excise Tax Act* and the *Land Transfer Tax Act* and the respective regulations thereunder;

(f) the transferor either provides the transferee with evidence reasonably satisfactory to the transferee that the transferring Co-Owner is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* or provide the transferee with a certificate pursuant to subsection 116(2) of the *Income Tax Act* with a certificate limit in an amount not less than the purchase price for the Interest subject to the Transfer; provided that if such evidence or certificate is not forthcoming, the transferee shall be entitled to make the payment of tax required under section 116 of the *Income Tax Act* and to deduct such payment from the purchase price for the Interest subject to the Transfer;

(g) the transferee executes and delivers to the Operator a counterpart of the Agreement; and

(h) the transferor provides such other documents, agreements, acknowledgements and confirmations as may be required by the Operator or by law (including compliance by the transferring Co-Owner with the provisions of the *Securities Act* (Ontario) if and to the extent applicable).

When a transferee of an Interest is entitled to become a Co-Owner pursuant to the provisions hereof, the Operator will:

(i) record a Transfer of the Interest; and

(j) forward a Declaration of Trust to the transferee in respect of the Interest so transferred.

For the avoidance of doubt, a Transfer by Co-Owner may include a transfer into trust, in which case the terms "sale and purchase agreement", "Purchaser", "purchase", "purchased", and "sale", wherever such terms appear in this Agreement, shall be read so as to recognize that such Transfer is not a purchase and sale transaction between a Co-Owner and a purchaser but a transaction in the nature of a transfer into trust by the transferring Co-Owner to a trustee. Nothing in this Section 11 shall be construed to affect the provisions of Section 12 of this Agreement.

12. OPERATOR NOT BOUND TO SEE TO TRUST OR EQUITY

Other than pursuant to the terms of the Declaration of Trust, the Operator shall not be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any Interest is subject, or to ascertain or inquire whether any sale or transfer of any such Interest by any Co-Owner or by his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded by the Operator as the Co-Owner.

13. INCAPACITY, DEATH, INSOLVENCY OR BANKRUPTCY

Where a person becomes entitled to an Interest by incapacity, death, insolvency or bankruptcy of a Co-Owner or otherwise by operation of law, in addition to the requirements of Section 11 hereof, that person will not be recorded as or become a Co-Owner until:

- (a) he produces evidence satisfactory to the Operator of such entitlement; and
- (b) he has delivered such other evidence, approvals and consents in respect of such entitlement as the Operator may require and as may be required by applicable law or by this Agreement.

14. DECLARATIONS OF TRUST

A separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of a Co-Owner to the extent of the Co-Owner's Interest. Provided that the Transfer of an Interest has been effected in accordance with the provisions of Section 11 of this Agreement, a separate Declaration of Trust shall be executed and delivered by the Nominee to each transferee Co-Owner of an Interest from a transferring Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of the transferee Co-Owner to the extent of such Co-Owner's Interest.

15. LOST DECLARATIONS OF TRUST

Where a Co-Owner by notice in writing advises the Operator that the Declaration of Trust with respect to such Co-Owner's Interest has been defaced, lost or destroyed or wrongly taken, the Operator may cause a new Declaration of Trust to be issued, provided that the Co-Owner files with the Operator an indemnity in such form as is satisfactory to the Operator to indemnify the Operator, the Nominee and the other Co-Owners from any loss, cost, liability or damages that it or they may incur or suffer by complying with the request to issue a new Declaration of Trust, and provided further that the Co-Owner satisfies all other reasonable requirements of the Operator, including delivery of a form of proof of loss.

16. BOOKS AND RECORDS AND FINANCIAL REPORTS

The Operator will keep or cause to be kept on behalf of the Co-Owners at the Operator's principal place of business in Ontario:

- (a) full and accurate books of account and records of all financial transactions relating to the Property including, without limitations, the receipts and expenditures relating to the Property and the Concept Planning Fund;
- (b) the Co-Owners Record setting out the name and address of each Co-Owner; and
- (c) copies this Agreement and all counterparts.

At any time upon 10 Business Days written notice to the Operator a Co-Owner may request the Operator to examine any of the documents noted in clauses (a) and (b) above at the office of the Operator and may take copies thereof provided that such requesting Co-Owner pays the reasonable cost to the Operator for making such copies, provided further that any such requesting Co-Owner shall have first provided an affidavit and undertaking, in form and substance satisfactory to the Operator, acting reasonably, duly sworn before a notary public or other individual authorized to administer oaths in the jurisdiction of residence of the

Purchaser, stating: (aa) the name and address of such requesting Co-Owner, and that the Co-Owner is a Co-Owner; (bb) that the Co-Owners Record shall not be used by the requesting Co-Owner or any other person except in connection with a *bona fide* effort to influence the voting by Co-Owners on an Ordinary Resolution or a Special Resolution; (ccc) that the information so provided is subject to applicable privacy rules and regulations; (ddd) that none of the information provided pursuant to clause (a) above shall be disclosed by or on behalf of the requesting Co-Owner to any person who is not a Co-Owner, that such information is proprietary to the Operator and the Co-Owners, and that its disclosure could cause irreparable harm to the other Co-Owners and the Operator; (eee) that the requesting Co-Owner will not, directly or indirectly, offer for sale or purchase, or otherwise traffic in, a list or copy of a list of the Co-Owners or any information contained in the Co-Owners Record; (fff) the requesting Co-Owner acknowledges and agrees that in the event of a breach of any of the covenants, provisions and restrictions in affidavit, the Co-Owners' and Operator's remedy in the form of monetary damages may be inadequate and that the Operator, for itself and on behalf of the other Co-Owners, shall be authorized and entitled, in addition to all other rights and remedies available to it and them, to apply for and obtain from any court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach; and (ggg) that the requesting Co-Owner shall indemnify and hold harmless the Operator and the Nominee and the other Co-Owners from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee or the other Co-Owners by reason of any breach by such requesting Co-Owner of any of the covenants, provisions and restrictions contained in the affidavit.

The Operator shall provide or cause to be provided to each Co-Owner not later than 120 days after the end of each calendar year, financial statements showing the financial results for the Property for such calendar year. The Operator shall retain, at the expense of the Co-Owners, an independent firm of chartered accountants qualified in Canada to prepare such financial statements. Such financial statements shall contain a balance sheet, and a statement of cash flows and shall be prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") applicable to the real estate industry in Canada and applied on a consistent basis from year to year. The financial statements shall not be required to be audited unless the Co-Owners by Ordinary Resolution require audited financial statements. For greater certainty, the funds in the Concept Planning Fund are hereby recognized as being the funds of the Operator, not of the Co-Owners.

17. AMENDMENT OF AGREEMENT

This Agreement may be amended in writing on the initiative of the Operator with the consent of the Co-Owners given by Ordinary Resolution. Notwithstanding the foregoing, the Operator may, without any prior notice to or consent from the Co-Owners amend any provision of this Agreement from time to time:

- (a) to cure an ambiguity or to correct or supplement any provision contained herein which, in the reasonable opinion of the Operator, may be defective or inconsistent with any other provision contained herein, and with respect to which the cure, correction or supplemental provision does not and will not adversely affect the Interests of the Co-Owners; or
- (b) to make such other provisions in regard to matters or issues relating to or arising under this Agreement which, in the reasonable opinion of the Operator, do not and will not adversely affect the Interests of the Co-Owners.

The Operator agrees to inform the Co-Owners by written notice within 60 days following the effective date of an amendment to this Agreement and provide copies of the amending agreement within the said 60 days.

18. PLANNING ACTIVITIES AND CONCEPT PLANNING FUND

As agent for the Vendor, the Operator shall deposit an amount equivalent to the Concept Planning Fund Contribution (as such term is defined in each Sale and Purchase Agreement) received by the Vendor under every completed Sale and Purchase Agreement into a single, segregated account (the "**Concept Planning Fund**") to be in the name of the Operator and to be used by the Operator solely for the purpose of paying the costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities, and those costs and expenses enumerated in Section 6(j) of this Agreement.

The Concept Planning Fund is intended to be a deposit account. Each Co-Owner's respective proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Co-Owner following completion of the sale of the Property. Each Co-Owner's share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of this Agreement) will be paid by the Co-Owner and deducted from his proportionate share of any sale proceeds receivable by him, if and when the Property is sold or otherwise disposed of. Each Co-Owner hereby irrevocably authorizes and directs the Operator to withhold from his proportionate share of any amounts otherwise receivable by it under this Agreement the amount of any such shortfall, and to pay such amount to the Operator.

The Operator shall keep proper and accurate records and details of all expenses paid out of the Concept Planning Fund, and at the request of the Vendor, provide access to the Vendor's representatives to such records and details of expenses to permit the Vendor to satisfy itself that such expenses were paid in accordance with the provisions of this Agreement.

The Operator shall prepare, perform and take or cause to be prepared, performed and taken all Planning Activities as it determines in its reasonable discretion are necessary for and on behalf of the Co-Owners including, without limitation, the following:

- (a) surveys and concept plans in connection with the rezoning of the Property;
- (b) in the reasonable discretion of the Operator, engage all consultants and professionals including, without limitation, legal counsel with respect to rezoning of the Property or any other Planning Activities;
- (c) enter into or request the Nominee to enter into and deliver any documents, consent, acknowledgements or agreements including, without limitation, easements, rights in the nature of an easement, transfers, undertakings, applications, appeals and/or any other similar or related agreements or documents which may be required in the reasonable discretion of the Operator in connection with the Planning Activities;
- (d) pay for all costs and expenses associated with Planning Activities, municipal property taxes and the cost of maintaining the Property, out of the Concept Planning Fund, and if insufficient, out of additional funds provided by the Co-Owners; and
- (e) keep detailed records and accounts for or pertaining to the Planning Activities.

If the amount set aside in the Concept Planning Fund is not sufficient to defray all costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities and those costs and expenses enumerated in Section 6(j) of this Agreement, the Operator, in the exercise of its absolute discretion, and without the approval of the Co-Owners, may advance to the Co-Owners an amount or amounts on account of such shortfall to a maximum of 5% of the aggregate purchase prices paid by all Co-Owners for their respective Interests (collectively, the "**Initial Advance**"). The Initial Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance made to the Co-Owners out of the proceeds of the sale of the Property.

If the cost of Planning Activities exceeds the combination of the Concept Planning Fund and the Initial Advance, the Operator, as it deems necessary in the exercise of its absolute discretion but subject to the approval of the Co-Owners by way of an Ordinary Resolution, may advance to the Co-Owners additional amounts as may be required for such purposes (collectively, the "**Additional Advance**"). The Additional Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, after repayment of the Initial Advance, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance and the Additional Advance made to the Co-Owners out of the proceeds of the sale of the Property.

19. SALE OF THE PROPERTY

Any offer to purchase the Property received by the Operator or the Nominee, which the Operator deems acceptable (the "**Offer**") shall be presented to all of the Co-Owners for consideration and if approved by an Ordinary Resolution such Offer shall be accepted by the Nominee and such acceptance shall be binding upon all of the Co-Owners. Any sale of the Property by the Nominee resulting from an Offer the acceptance of which was approved by an Ordinary Resolution of the Co-Owners shall be deemed to include the sale by the Co-Owners of the Interests.

The Co-Owners hereby agree that Operator shall have the right, exercisable by notice in writing to the Co-Owners within 30 days after the Co-Owners have passed an Ordinary Resolution to accept the Offer, to purchase the Property at the same price and on the same terms and conditions as are contained in the Offer approved by Ordinary Resolution of the Co-Owners.

If the Operator fails to provide the notice exercising its right to purchase the Property on the same terms and conditions as are contained in the Offer within the said 30 days, then the Nominee shall accept the Offer and complete the transaction with the party that made the Offer the acceptance of which was approved by Ordinary Resolution of the Co-Owners.

20. HST AND LTT

Each of the Co-Owners hereby authorizes the Operator to make any and all filings, payments and/or remittances for HST with respect to the purchase by each Co-Owner of his respective Interest and any other payments of HST applicable to the services provided to the Nominee or in respect of the Property or the Interest of a Co-Owner.

Each Co-Owners hereby authorizes the Operator to carry out any HST reporting or filing obligations that are required in respect of the Interests or the Property. Such authority shall

include the execution of any documents that have to be or which may be advisable to be executed under the *Excise Tax Act*. The Operator shall to the extent required under the *Excise Tax Act* make and satisfy all filing and reporting obligations of a Co-Owner with respect to the Interest of the Co-Owner and shall provide each Co-Owner with copies of such filings and reports.

Each of the Co-Owners hereby authorizes the Operator to make any and all filings payments and/or remittances, from funds provided by the Co-Owner, relating to LTT arising from the purchase by each Co-Owner from the Vendor of his respective Interest in the Property. For greater certainty, each of the Co-Owners hereby authorizes the Operator on behalf of the Co-Owner and with the Co-Owner's funds to make any and all payments, remittances and filings under the provisions of the *Land Transfer Tax Act* relating to LTT and within the time period required therefor under the *Land Transfer Tax Act*, arising from the acquisition and/or ownership of the Interest. The Operator shall provide each Co-Owner with copies of such filings and evidence of the payments and remittances upon the written request of a Co-Owner.

21. POWER OF ATTORNEY

Each Co-Owner hereby nominates, constitutes and appoints each of the Operator and the Nominee, acting alone or together, with full power of substitution, as his true and lawful attorney and agent with full power and authority in his name, place and stead, for his use and benefit, to do the following, as fully and effectually as the Co-Owner could do if personally performed including, without limitation:

- (a) execute and deliver all such documents or instruments on behalf of and in the name of the Co-Owners, or any of them, as may be deemed necessary by the Operator to carry out fully the provisions of this Agreement in accordance with its terms;
- (b) execute, swear to, acknowledge, deliver, file and/or remit to or with the Ministry of Finance (Ontario) pursuant to the *Land Transfer Tax Act*, as amended, all necessary returns and payment or remittances in connection with the acquisition by the Co-Owners of their respective Interests in the Property;
- (c) execute, acknowledge, deliver and file and/or remit to or with the CRA, all necessary instruments, declarations, certificates and other documents, and remittances relating to HST;
- (d) execute, acknowledge, deliver and file as and where required any election made pursuant to subsection 273(1) of the *Excise Tax Act* as contemplated in each Purchase Agreement;
- (e) execute and deliver all conveyances, agreements, documents and other instruments pertaining to the sale, development, redevelopment, financing, refinancing or leasing of the Property as the Operator determines in its sole discretion is in the best interests of the Co-Owners, and as permitted by this Agreement or authorized by Ordinary Resolution or Special Resolution of the Co-Owners; and
- (f) execute, acknowledge, deliver and file any and all CRA non-resident personal income tax returns.

Each Co-Owner acknowledges and confirms that the power of attorney granted herein is made pursuant to the *Powers of Attorney Act* (Ontario) and is a power coupled with an interest, will survive the death, disability or other legal incapacity of the Co-Owner and will survive the assignment (to the extent of the Co-Owner's obligations hereunder) by the Co-Owner of the whole or any part of his Interest and extends to the heirs, executors, administrators, successors

and assigns of the Co-Owner and may be exercised by the Operator or the Nominee, acting alone or together, executing on behalf of the Co-Owners, or any of them, any instrument, by listing all of the Co-Owners to be bound by such instrument with a single signature as attorney and agent for all of them, or otherwise. Each of the Co-Owners agrees to be bound by any representations and actions made or taken in good faith and in accordance with the terms of this Agreement by the Nominee and/or the Operator pursuant to such power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Nominee or the Operator taken in good faith under such power of attorney. The Operator shall, at the written request of a Co-Owner, provide such Co-Owner with copies of any of the documents or instruments executed, sworn, delivered, acknowledged or remitted by the Operator for and on behalf of that Co-Owner only under the power of attorney provided for in this Section 21.

22. INDEMNIFICATION

Each of the Co-Owners hereby agrees, severally and not jointly or jointly and severally, to indemnify and hold harmless the Operator and the Nominee from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee, or by any one or more attorneys appointed by it or them under the power to substitute pursuant to the power of attorney provision contained in Section 21 above, by reason of acts, omissions or alleged acts or omissions arising out of the activities of the Operator or the Nominee on behalf of the Co-Owners or in furtherance of the Interests of the Co-Owners but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and in accordance with the Agreement.

23. VENDOR'S RIGHT TO RETAIN AN INTEREST

The Co-Owners acknowledge and agree that the Vendor has the right, but not the obligation, to retain an undivided beneficial Interest in the Property (a "**Retained Interest**"), to whatever extent it wishes, and the Vendor to the extent of any such Retained Interest shall for the purposes of this Agreement be a Co-Owner and be deemed to be bound by this Agreement. The Vendor may at any time and from time to time Transfer and assign all or any part of such Retained Interest to any person or persons it deems appropriate and upon such Transfer or assignment, the assignee or transferee thereof shall execute a counterpart of this Agreement and shall be a Co-Owner to the extent of the Retained Interest so transferred or assigned.

24. COMPETING INTERESTS

Each of the Co-Owners and the Operator is entitled, without the consent of any of the others of them, to own property and to carry on any business or activity whatsoever, whether of the same or different nature as that owned by or carried on by any of them, and whether or not in competition with the Interests, the Property or any activity carried on by any of them, and neither any Co-Owner nor the Operator shall be liable to account to any of the other of them.

25. NOTICES

Any notice or communication required or permitted to be given to the Nominee, the Vendor, the Operator or the Co-Owners hereunder shall be in writing and shall be given by delivery or by mailing to same to be addressed as follows:

- (a) To the Nominee, the Vendor or the Operator, at its respective mailing address provided in Section 4 above.

(b) To each Co-Owner at his last address shown on the Co-Owners Record maintained by the Operator.

Any notice or communication delivered as aforesaid shall be in the English language but may be accompanied by an unofficial translation and shall be deemed to have been given to the addressee on the day of delivery, if delivered by courier or, if mailed as aforesaid, shall be deemed to have been given to the addressee on the 10th Business Day following the mailing of such notice, provided that, for such purposes, no day during which there shall be a strike or other occurrence which shall interfere with normal mail services shall be considered a Business Day. If delivery of any notice or communication is made via fax, delivery shall be deemed to have been made on the day following the sending of the fax unless such day is not a Business Day, in which case delivery shall be deemed to have been made on the next Business Day.

26. FURTHER ACTS

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

27. BINDING EFFECT

Subject to the restrictions on Transfers herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.

28. SEVERABILITY

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts, by original or facsimile signature, with the same affect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement.

30. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, in the Country of Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

31. DISPUTE RESOLUTION

Any disputes, claims, disagreements, differences, (including, without limitation, interpretation, performance and enforcement) (collectively the "**Dispute**") that may arise between the Co-Owners or any of them and/or the Operator and/or the Nominee relating in any manner to this Agreement, the Property, or the Interests or any of them, shall attempted to be resolved by mediation and if such mediation is not successful, then by arbitration.

Upon written demand of the Nominee, the Operator or the Co-Owners or any them and within 10 days after such demand, the parties shall attempt to appoint a mediator. If within such period of time they are unable to agree on a mediator, the Dispute shall be resolved by arbitration. If the parties to the Dispute are unable to agree upon a single arbitrator within 10 days after a demand has been made by any party to the Dispute to appoint a single arbitrator then, any party to the Dispute may apply, to a Justice of the Superior Court of Justice sitting in the City of Toronto, in the Province of Ontario, Canada for the appointment of an arbitrator.

The arbitration shall proceed in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) and any amendments or successor legislation thereto, which provisions shall apply *mutatis mutandis*. The arbitrator shall have the power to determine the procedure for the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator.

The arbitrator shall proceed immediately to hear and determine the Dispute. The award of the arbitrator shall be made within 30 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrator shall be in writing and signed by the arbitrator, and shall be final and binding on the parties to the Dispute, not subject to any appeal, and the parties to the Dispute shall abide by the award and perform the terms and conditions thereof. The arbitration award shall deal with the costs of arbitration and all matters related thereto including the arbitrator's fees and expenses. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Unless otherwise mutually agreed, any mediation or arbitration of a Dispute shall take place in the Municipality of Metropolitan Toronto, in the Province of Ontario, in the Country of Canada.

32. NO INTENTION TO CREATE A PARTNERSHIP

The Co-Owners acknowledge, agree and declare that the entering into of this Agreement does not, and is not intended to, create a partnership, for any purpose. The Co-Owners further agree that nothing herein is to be construed as a limitation of the powers or rights of any Co-Owner to carry on its separate respective activities. Except for the Operator as contemplated in this Agreement, none of the Co-Owners shall have the right to bind any of the other Co-Owners, transact any business in any of the other Co-Owners names or on their behalf or incur any liability for or on behalf of any of the other Co-Owners. The Co-Owners agree that they shall each report their income or loss arising from the ownership of their Interests, for both accounting and income tax purposes, and to the applicable taxing authorities, as co-venture parties independent of one another, and not as partners in a partnership.

33. NO RIGHT TO PARTITION, ETC.

Each of the Co-Owners, by becoming a party to this Agreement, agrees and will be deemed to have agreed that he will not seek any remedy or right for the termination of this Agreement which would otherwise be available at law or in equity or for the termination of the co-ownership of the Property or which would otherwise be available pursuant to the *Partition Act*, R.S.O. 1980, c. 369,) and any amendments or successor legislation thereto, and each such Co-Owner shall be forever estopped from asserting otherwise and from seeking such remedy or right. In the event of any breach of the provisions of this Section 33 by a Co-Owner, the other Co-Owners and the Operator shall, in addition to all rights and remedies at law or in equity to which it is or they are otherwise entitled, be entitled to a decree or order

perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Co-Owner shall not plead in defence thereto that there would be an adequate remedy at law, it being acknowledged by all the parties hereto that the injury and damages flowing from any such breach would be impossible to measure monetarily.

34. TIME

Time shall be of the essence of this Agreement.

35. REFERENCE DATE

This Agreement is dated for reference as of the 15TH day of November, 2013.

IN WITNESS WHEREOF this Agreement is executed with effect as of the day and year first above written.

EXECUTED this 10TH day of JANUARY 2014 **CO-OWNER**
with effect as of the day and year first
above written.

WITNESS

✓ **SIGNATURE OF WITNESS**
Chiaki Hayashi

Signature of Witness

Print: CHIAKI HAYASHI

SIGNATURE OF CO-OWNER ★
Hironori Kobayashi

Signature of Co-Owner

Print: HIRONORI KOBAYASHI

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

LONDON VALLEY IV INC.

Per: 

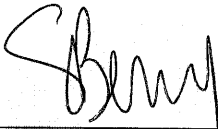
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

TSI-LV IV INTERNATIONAL CANADA INC.

Per: 

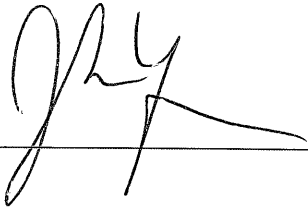
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

LV IV CAPITAL MANAGEMENT INC.

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

Per: 

Name: _____

Title: _____

I/We are authorized to bind the Corporation.

SCHEDULE "1"

Legal Description of Property

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

SCHEDULE "2"

NOTICE OF REQUISITION OF ORDINARY RESOLUTION

By Co-Owners

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

HIRONORI KOBAYASHI

Address:

Address:

Unit Identification No. LV IV132-LV IV266

By Operator

NOTICE IS HEREBY GIVEN that the undersigned requests the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned signed to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

LV IV CAPITAL MANAGEMENT INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

LV IV132-LV IV266-35961

Appendix 1

FORM OF ORDINARY RESOLUTION

The Undersigned Co-Owner hereby elects to

() The Undersigned approves the following Resolution; or

() The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

HIRONORI KOBAYASHI

Address:

Address:

Unit Identification No. LV IV132-LV IV266

Identification No. _____

SCHEDULE "3"

NOTICE OF REQUISITION OF SPECIAL RESOLUTION

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners to approve the Special Resolution attached hereto as Appendix I **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Special Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Special Resolution.

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: HIRONORI KOBAYASHI

Address: _____

Address: _____

Unit Identification No. LV IV132-LV IV266

Identification No. _____

Appendix I

FORM OF SPECIAL RESOLUTION

The Undersigned Co-Owner hereby elects to

() The Undersigned approves the following Resolution; or

() The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

HIRONORI KOBAYASHI

Address:

Address:

Unit Identification No. LV IV132-LV IV266

Identification No. _____

DECLARATION OF TRUST

Cert. No. LV_IV_IP_f04d801731725513a4d77aa9bb35534b

ID. 35961 UDI: LV IV132-LV IV266

Interest: 135/512TH

This is to certify that HIRONORI KOBAYASHI is the owner of an undivided beneficial 135/512TH interest (the "Interest") representing a value of One Million Three Hundred Fifty Thousand dollars of lawful money of Canada (C\$1,350,000.00) in the real property located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTRAs In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster (the "Property") and that London Valley IV Inc., as the registered holder of title to the Property, declares and acknowledges that it is holding title to the Property in trust for and on behalf of HIRONORI KOBAYASHI, to the extent of the Interest.

Reference is made to the co-owners agreement (the "Agreement") dated for reference as of the 15TH day of November, 2013 among the owner of the Interest named in the within Declaration of Trust, London Valley IV Inc. TSI-LV IV International Canada Inc., LV IV Capital Management Inc. and all other owners of undivided beneficial interests in the Property from time to time who execute a counterpart of the Agreement. The Agreement provides for certain rights and obligations of the owners of undivided beneficial interest in the Property.

This Declaration of Trust and the Interest represented hereby are not transferable by delivery but only by the registered holder hereof, or by his agent duly authorized in writing, upon compliance with the provisions of the Agreement, including delivery to TSI-LV IV International Canada Inc. at its principal office in Mississauga, Ontario, of this Declaration of Trust together with a duly executed transfer of beneficial interest in the form required by TSI-LV IV International Canada Inc.

IN WITNESS WHEREOF London Valley IV Inc. and TSI-LV IV International Canada Inc. have caused this Declaration of Trust to be signed by its duly authorized officers this 7TH day of FEBRUARY 2014.

LONDON VALLEY IV INC.

TSI-LV IV INTERNATIONAL CANADA INC.

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation

Per: _____

Name: _____

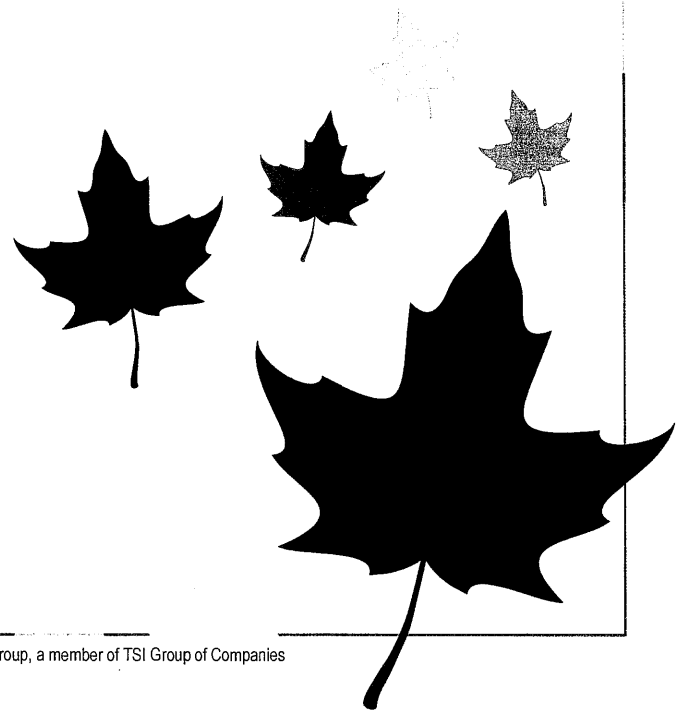
Title: _____

I/We have authority to bind the Corporation



LONDON VALLEY IV INC.

MIZUE FUKIAGE



AGREEMENT OF SALE AND PURCHASE dated the 10TH day of JANUARY, 2014.

BETWEEN

MIZUE FUKIAGE,

Identification: DRIVER'S LICENSE (528500942092)

Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

Phone Number: 81-776-28-6655

(hereinafter referred to as the "**Purchaser**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,

a corporation incorporated under the laws of the Province of Ontario,

(hereinafter referred to as the "**Vendor**");

-and-

LONDON VALLEY IV INC.,

a corporation incorporated under the laws of the Province of Ontario

(hereinafter referred to as the "**Nominee**")

WHEREAS:

A. The Vendor is the beneficial owner of an undivided interest in a parcel of land described in Schedule "B" annexed to this Agreement (the "**Property**") and title to which Property is registered in the name of the Nominee.

B. The Vendor is engaged in the business of land banking, the prime focus of which is to locate and purchase raw land and to endeavour to rezone the land through the applicable land development process to an approved use determined by the Vendor to be suitable and appropriate in all of the circumstances, and to thereby enhance the value of the land.

C. The Purchaser acknowledges that rezoning of the Property is uncertain and may take many years to achieve, often six years or longer, and that there can be no assurance that rezoning will be obtained, or if obtained, to permit for such use or uses as were requested and/or otherwise on terms and conditions that are satisfactory.

D. The Vendor may from time to time sell undivided beneficial interests in the Property to various purchasers.

E. The Purchaser acknowledges that real estate investments are generally subject to various risks, including a lack of liquidity, the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), conditions of supply and demand for any particular type of real estate in the particular area, government regulations and changes thereto (including uncertainties and delays in zoning, subdivision and development regulatory approval processes, taxation of

property and environmental legislation), changes in governments and the political environment in the jurisdiction where the real estate is located, and sensitivity to interest rates, among other factors.

F. The Purchaser acknowledges having had the opportunity to review this Agreement and its schedules with its advisors and to conduct such due diligence investigations as the Purchaser deemed appropriate with respect to all matters pertaining to the Property and to the Vendor.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. SALE OF UNDIVIDED BENEFICIAL INTEREST IN LAND

1.1 The Purchaser hereby agrees to purchase from the Vendor and the Vendor hereby agrees to sell to the Purchaser a 135/512TH undivided beneficial interest in the Property (the "**Purchaser's Land Interest**").

1.2 The Purchaser's Land Interest will be identified by the following designated identification number: LV IV267-LV IV401

2. . PURCHASE PRICE

2.1 The Purchaser shall pay the aggregate sum of Ten Thousand Dollars of lawful money of Canada (C\$10,000.00) for each 1/512TH undivided beneficial interest in the Property upon execution of this Sale and Purchase Agreement, of which Nine Thousand Five Hundred Dollars (C\$9,500.00) of lawful money of Canada will be paid on account of the purchase price for such interest, and Five Hundred Dollars (C\$500.00) of lawful money of Canada will be paid into a segregated account known as the "Concept Planning Fund" (the "**Concept Planning Fund**") to be used to defray costs, expenses and fees to be incurred in connection with the Property, as more particularly hereinafter described and as described in the Co-Owners Agreement (as such term is hereinafter defined).

2.2 The Purchaser hereby agrees to purchase the Purchaser's Land Interest for a total purchase price of ONE MILLION TWO HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED DOLLARS ONLY of lawful money of Canada (C\$1,282,500.00) (the "**Purchase Price**"), and to pay the amount of SIXTY SEVEN THOUSAND FIVE HUNDRED DOLLARS ONLY of lawful money of Canada (C\$67,500.00) into the Concept Planning Fund (the "**Concept Planning Fund Contribution**"). All references in this Agreement to payments of money being made shall mean lawful money of Canada.

2.3 The Purchase Price excludes applicable harmonized sales tax (the "**HST**") pursuant to the *Excise Tax Act*, R.S.C. 1985, c E-15, as amended (the "**ETA**") and the Purchaser agrees to pay the HST in addition to the Purchase Price and the Concept Planning Fund Contribution, unless the Purchaser has obtained and inserted (or instructed to be inserted) its HST registration number set forth below on the signing page of this Agreement, below its signature, prior to acceptance of this Agreement by the Vendor, in which case the Purchaser hereby represents and warrants that it is a registrant for HST purposes under the provisions of the ETA, under such registration number.

2.4 Included in the Purchase Price and the Concept Planning Fund Contribution, the Purchaser shall be responsible for the payment of land transfer tax ("**LTT**") under

the *Land Transfer Act*, R.S.O., c L.6. as amended (the "**LTTA**"), in the amount of EIGHTEEN THOUSAND FOUR HUNDRED FORTY EIGHT DOLLARS AND TWENTY EIGHT CENTS of lawful money of Canada (C\$18,448.28).

2.5 The Purchaser covenants to pay, make and submit all necessary payments, filings and remittances within the time periods required therefor under the provisions of the ETA, if applicable, and the LTTA, and the regulations thereunder. The Purchaser hereby authorizes the Vendor on behalf of the Purchaser and with the Purchaser's funds, to make any and all payments, filings and remittances within the time periods required therefore under the provisions of the ETA relating to HST, if applicable, and under the provisions of the LTTA relating to LTT required to be made by the Purchaser arising from its acquisition of the Purchaser's Land Interest. While the Vendor agrees to assist the Purchaser in submitting such payments, remittances and filings, for greater certainty, nothing herein contained shall oblige the Vendor to make any payments or remittances from its own resources or funds and all such payments and remittances and filings shall be the Purchaser's obligation.

2.6 Funds in the Concept Planning Fund shall be applied towards defraying future costs of every nature and kind related to the Property, including property management costs, costs, fees, and services incurred in connection with planning activities, development submissions, subdivision applications, operational costs and all other activities and matters concerning or related to the Property, as determined by the Operator (as such term is defined in the Co-Owners Agreement) which would be incurred by or on behalf of the Purchaser as a Co-Owner. The Concept Planning Fund is intended to be a deposit account. The Purchaser's proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Purchaser following completion of the sale of the Property. The Purchaser's proportionate share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of the Co-Owners Agreement) will be paid by the Purchaser (in its capacity as a Co-Owner) and deducted from its proportionate share of any sale proceeds receivable by it, if and when the Property is sold or otherwise disposed of.

3. PAYMENT OF THE PURCHASE PRICE

3.1 The Purchaser hereby agrees that the Purchase Price, the Concept Planning Fund Contribution, and all other amounts due and payable hereunder, shall be paid to the Vendor on the Closing Date (as hereinafter defined). Following the Closing Date, the Vendor shall deliver the Concept Planning Fund Contribution to the Operator for deposit into the Concept Planning Fund.

3.2 All payments of the Purchase Price, the Concept Planning Fund Contribution, and such other amounts shall be made through the appointed agent (the "**Vendor's Agent**"), the Vendor's authorised agent and representative in the jurisdiction of residence of the Purchaser, and the Vendor hereby directs the Purchaser to make all such payments to the Vendor's Agent, who is authorised by the Vendor to acknowledge receipt of the Purchase Price and other amounts paid hereunder.

4. CLOSING DATE, DELIVERIES, COSTS, NON-MERGER

4.1 The date on which this Agreement is signed by the Purchaser and is accepted and signed by the Vendor and the Nominee shall be the "**Closing Date**". On the Closing Date, in addition to delivering the Purchase Price and this Agreement, the Purchaser agrees to deliver to the Vendor's Agent a copy of the Co-Owners Agreement signed by the Purchaser.

4.2 Within ninety (90) days after the Closing Date, the Vendor agrees to deliver to the Purchaser the following documents (the "**Closing Documents**"):

- (a) this Agreement, duly executed by the Vendor and the Nominee;
- (b) a Declaration of Trust (as hereinafter defined), duly executed by the Nominee; and
- (c) the Co-Owners Agreement (as hereinafter defined), duly executed by the Nominee and Operator (as therein defined).

4.3 The Vendor shall pay for the cost of drafting and/or settling the Closing Documents. The Vendor shall not be obligated to pay any other costs associated with the purchase of the Purchaser's Land Interest.

4.4 This Agreement shall be irrevocable by the Purchaser for a period of 120 days following its execution and delivery to the Vendor or the Vendor's Agent. This Agreement shall only become binding upon the Vendor and the Nominee following the Vendor and the Nominee having each accepted this Agreement as signified by its respective execution of this Agreement where indicated below.

4.5 All representations, warranties and covenants of the Purchaser as set out in this Agreement shall not merge upon closing but shall survive closing and the Closing Date.

5. VENDOR REPRESENTATIONS AND WARRANTIES

5.1 The Vendor represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in completing the sale and purchase transaction contemplated in this Agreement:

- (a) the Vendor is the beneficial owner of the Purchaser's Land Interest with good and marketable title thereto, subject to Section 6.1;
- (b) registered title to the Property and beneficial title to the Purchaser's Land Interest shall be good and marketable and clear and free from all mortgages, charges and financial liens on the Closing Date;
- (c) the Vendor has the right, power and authority to sell the Purchaser's Land Interest as contemplated in this Agreement;
- (d) the Vendor is a corporation properly constituted and in good standing under the laws of the Province of Ontario and the laws of Canada applicable therein; and
- (e) the Vendor is not now and on the Closing Date will not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended from time to time.

6. EASEMENTS, LIENS, REGISTERED AGREEMENTS

6.1 Other than any mortgage, charge or financial lien which the Vendor is required to discharge pursuant to this Agreement, registered title to the Property, and beneficial title to the Purchaser's Land Interest, shall be subject to all other liens and encumbrances registered

on title to the Property on the Closing Date or which may be registered against the title to the Property after the Closing Date, including those registered in connection with the rezoning or development process relating to the Property, and including, without limitation, agreements with the applicable municipality or region, agreements with public regulated utilities, easements for the supply of domestic utility or telephone services to the Property or properties which are adjacent to the Property, 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 or its proposed development, other registered restrictions or covenants that run with the lands, and the restrictions and reservations in the Crown patent.

7. PURCHASER(S)' REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 The Purchaser represents and warrants to and covenants in favour of the Vendor as follows:

- (a) there are no liens, mortgages, judgements, executions or other encumbrances, related to or attaching to the Purchaser's Land Interest or any part thereof;
- (b) the Purchaser shall keep the Purchaser's Land Interest and every part thereof free and clear of all liens, mortgages, other encumbrances, judgements or executions. The Purchaser warrants and represents that all such liens, mortgages, judgements, executions other encumbrances, if any, shall be discharged and removed forthwith at the Purchaser's sole cost and expense and the Purchaser shall hold harmless the Vendor and all other beneficial owners of undivided interests in the Property from time to time against any and all claims, liabilities, actions, cause of actions, charges, demands and costs, including solicitors fees in connection therewith; and
- (c) the Purchaser will not register or cause to be registered this Agreement, the Co-Owners Agreement, notice of this Agreement, notice of the Co-Owners Agreement, notice of the Purchaser's Land Interest, or any caution against title to the Property and the Purchaser shall forthwith remove and discharge any such registration at its costs and expense, failing which the Vendor may do so at the cost and expense of the Purchaser.

7.2 The foregoing warranties, representations and covenants of the Purchaser shall not merge on closing but shall survive closing and the Closing Date.

8. PURCHASER(S)' PARTICULARS, NATURE OF VESTING OF BENEFICIAL TITLE

8.1 The Purchaser agrees and confirms that the personal information provided in Schedule "A" annexed hereto is true, accurate and complete and agrees to inform the Vendor in writing forthwith of any change in any of the information therein provided.

8.2 If there is more than one person that comprises the Purchaser, then the Purchaser's Land Interest will be held as joint tenants with right of survivorship unless the box below is initialled by the Purchaser in which case the Purchaser's Land Interest will be deemed to be held as tenants-in-common, in the percentages noted therein.

[] Purchaser elects to hold Purchaser's Land Interest as tenants- in -common and not as joint tenants, as follows: _____ as to _____%,
_____ as to _____%.

9. PRESENT STATE AND CONDITION OF PROPERTY

9.1 The Purchaser hereby agrees that the purchase of the Purchaser's Land Interest is on an "as is, where is basis" with no representations or warranties whatsoever made by the Vendor, other than as expressly set out in this Agreement.

10. TITLE INSURANCE

10.1 The Nominee as registered owner of the Property obtained title insurance upon acquiring the Property (the "**Title Insurance Policy**") in such form and in such amount and with such stipulations, limitations and qualifications respecting coverage as it deemed appropriate.

11. NOMINEE AS BARE TRUSTEE; DECLARATION OF TRUST

11.1 The Purchaser acknowledges that the registered title to the Property is held by the Nominee, as nominee and bare trustee for the Vendor to the extent of its undivided beneficial interest in the Property, and as nominee and bare trustee for others to the extent of their respective undivided beneficial interests in the Property, and that on completion of the transaction herein contemplated the Nominee will hold the registered title to the Property to the extent of the Purchaser's Land Interest as nominee and bare trustee for the Purchaser and others to the extent of their respective undivided beneficial interests in the Property.

11.2 The mailing address of the Nominee for receiving notices shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee may change its mailing address from time to time by giving notice in writing to that effect pursuant to the notice provisions contained in the Co-Owners Agreement.

11.3 The Nominee agrees to execute and deliver to the Purchaser a declaration of trust (the "**Declaration of Trust**") wherein it will confirm that, from and after the Closing Date, it is holding the title to the Property for and on behalf of the Purchaser, to the extent of the Purchaser's Land Interest, in the place and stead of the Vendor.

11.4 The Purchaser acknowledges that the registered title to the Property shall at all times be in the name of the Nominee.

12. NO RIGHT TO USE, OCCUPY OR ACCESS

12.1 The Purchaser agrees that it hereby waives all rights of use, occupation and rights of access to the Property, and any part thereof, in order to facilitate the future rezoning and ultimate subdivision and re-development of the Property, for the benefit of all Co-Owners. The provisions of this Section .12. shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

13. CO-OWNERS AGREEMENT

13.1 The Purchaser agrees that concurrent with its execution and delivery of this Agreement, the Purchaser shall execute and deliver the agreement or a counterpart of the co-

owners agreement, a draft copy of which is annexed hereto as Schedule "C" (the "**Co-Owners Agreement**").

13.2 The Co-Owners Agreement shall govern, amongst other things, the following:

- (a) the rights and obligations of the Purchaser, as owner and any other owners of undivided beneficial interests in the Property;
- (b) any future sale, financing and/or development of the Property;
- (c) procedures for consent and approvals by the Co-Owners (as such term is defined in the Co-Owners Agreement);
- (d) appointing the Operator (as such term is defined in the Co-Owners Agreement) for and on behalf of the Co-Owners;
- (e) the rights and obligations of the Operator of the Property;
- (f) the obligation of the Nominee as registered holder of the title to the Property for an on behalf of the Co-Owners;
- (g) the right to transfer or assign the Purchaser's Land Interest or any part thereof and the terms conditions to be satisfied with respect to any such assignment or transfer; and
- (h) such other matters as are therein contained.

13.3 The Vendor shall not be obligated but shall have the right to retain an undivided beneficial interest in the Property to such extent as it may in its absolute discretion deem appropriate and thus be a co-owner thereof and with respect to such undivided beneficial interest it shall be subject to the terms of the Co-Owners Agreement and entitled to exercise the rights of a Co-Owner.

14. SUBDIVISION CONTROL PROVISIONS

14.1 The Vendor agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and this Agreement shall be effective to create an interest in the Property provided that the provisions of the *Planning Act* (Ontario) are complied with in connection with the transaction of sale and purchase of the Purchaser's Land Interest.

15. NO REPRESENTATIONS, WARRANTIES OR ADVICE

15.1 The Purchaser acknowledges that none of the Vendor, the Nominee, the Vendor's Agent nor anyone acting on its or their behalf has made any representations or warranties except as are expressly set forth in this Agreement or the Co-Owners Agreement, nor given any advice respecting the tax treatment relating to the purchase or disposition of the Purchaser's Land Interest or any part thereof or the Property, nor as to the timing of sale, rezoning or development of the Property nor with respect to any potential or anticipated profit to be derived or derivable from the Purchaser's Land Interest or the Property.

15.2 The Purchaser has been urged and advised to consult with the Purchaser's own respective advisors including legal and tax advisors, with respect to the purchase and other matters pertaining to the Property and the Purchaser's Land Interest and the Closing Documents.

16. SOURCE OF FUNDS

16.1 The Purchaser hereby represents, warrants, confirms and acknowledges that the source of the Purchaser's funds:

- (a) are not derived directly or indirectly from any crime;
- (b) are not linked directly or indirectly to any terrorists or against anti terrorist laws;
- (c) are not embargoed funds; and
- (d) are not obtained in violation of any laws or seeking to escape or avoid any tax laws;

16.2 The Purchaser covenants that all payments and remittances shall strictly comply , at its own expense, with all regulatory or exchange control provisions in force on the Closing Date and applicable to this Agreement.

16.3 The provisions of this Section 16 shall survive the completion of this transaction and shall not merge on closing but shall survive closing and the Closing Date.

17. NOTICES

17.1 All notices required hereunder shall be in writing and in the English language and may be served either personally upon the parties or by electronic transmission namely by fax or email addressed to the Parties at their respective last known addresses, fax number or email address.

18. HEIRS, ASSIGNS, ETC.

18.1 This Agreement shall enure to the benefit of and be binding on the parties hereto and their respective heirs , administrators, executors, successors and permitted assigns; provided that, the Purchaser shall not be entitled to assign this Agreement or any of its rights hereunder without the prior written approval of the Vendor, which approval may be withheld in its absolute discretion.

19. SUPERCEDING AGREEMENT

19.1 This Agreement shall supercede any and all previous discussions, representations, agreements or understandings made by or on behalf of either of the parties hereto for or relating to the purchase and sale of the Purchaser's Land Interest.

20. SCHEDULES

20.1 Schedules "A", "B" and "C" annexed hereto form an integral part of this Agreement and shall be read together with this Agreement.

21. COUNTERPARTS

21.1 This Agreement may be executed in any number of counterparts and by original or facsimile signature with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same Agreement.

22. LAWS AND JURISDICTION-ONTARIO

22.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

23. CAPTIONS

23.1 The captions of the sections of this Agreement are for convenience only and do not amplify or limit in any way the provisions hereof.

24. EFFECT OF PARTIAL INVALIDITY ON THIS AGREEMENT

24.1 In the event that any provision of this Agreement is illegal, void or unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

25. FACSIMILE DOCUMENTS

25.1 The parties agree to accept facsimile executed documents, including Closing Documents, as if they were originally signed documents.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SET OUT BELOW.

WITNESSED BY:

DATE OF EXECUTION: 2014-01-10

THE PURCHASER

CHIAKI HAYASHI

Print Name of Witness

MIZUE FUKIAGE

Print Name of Purchaser

✓ *Chiaki Hayashi*
SIGNATURE OF WITNESS

Signature of Witness

Witness Identification Number

Mizue Fukiage ★
SIGNATURE OF PURCHASER

Signature of Purchaser

HST Number:

825870934RT0001

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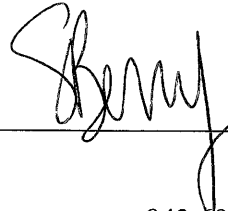
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DATE OF EXECUTION: 2014-2-7

THE VENDOR:

TSI-LV IV INTERNATIONAL CANADA INC.

Per:



Name:

Title:

HST Number: 843 697 772 RT 0001

I/We have the authority to bind the Corporation.

DATE OF EXECUTION: 2014-2-7

THE NOMINEE:

LONDON VALLEY IV INC.

Per:



Name:

Title:

I/We have the authority to bind the Corporation.

SCHEDULE "A" – PURCHASER(S) PARTICULARS

Information Concerning Purchaser(s):

1. PURCHASER:Full Name: MIZUE FUKIAGE☐ Single ☐ Married ☐ Trustee – Indicate full name of Trust.Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064Home Telephone: 81-776-28-6655 Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: mizue@kobird.co.jpCountry of Birth: JAPAN

The following have been provided to the Vendor:

☒ Driver's Licence ☐ Passport ☐ Other _____**2. Second or additional person as Purchaser:**

Full Name: _____

☐ Single ☐ Married ☐ Trustee – Indicate full name of Trust.

Address: _____

Home Telephone: _____ Business Telephone: _____

Cellular Telephone: _____ Facsimile Number: _____

E-mail Address: _____

Country of Birth: _____

The following have been provided to the Vendor:

☐ Driver's Licence ☐ Passport ☐ Other _____

SCHEDULE "B" – PROPERTY and NOMINEE

LEGAL DESCRIPTION OF PROPERTY

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

REGISTERED HOLDER OF LEGAL TITLE TO PROPERTY

LONDON VALLEY IV INC.

Office: 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3

Tel No: 1-905-602-7463

Fax No: 1-905-602-7460

SCHEDULE "C" – CO-OWNERS AGREEMENT

UNIT IDENTIFICATION NO. LV IV267-LV IV401**CO-OWNERS AGREEMENT****LONDON VALLEY IV INC.****THIS CO-OWNERS AGREEMENT** is dated the 15TH day of November, 2013.**BETWEEN:****MIZUE FUKIAGE,**

Identification: DRIVER'S LICENSE (528500942092)

Address: 501 NITTAZUKA-CHO, FUKUI-SHI, FUKUI, JAPAN 910-0064

(hereinafter referred to as the "**Purchaser**")

-and-

LONDON VALLEY IV INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Nominee**")

-and-

TSI-LV IV INTERNATIONAL CANADA INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Vendor**")

-and-

LV IV CAPITAL MANAGEMENT INC.,a corporation incorporated under the laws of the Province of Ontario
(hereinafter referred to as the "**Operator**")

-and-

All other owners of undivided beneficial interests in the Property from time to time
who execute a counterpart of this Agreement(hereinafter collectively referred to as the "**Co-Owners**")**WHEREAS:**

1. Pursuant to a Sale and Purchase Agreement, the Vendor has sold to the Purchaser, and the Purchaser has purchased from the Vendor, an undivided beneficial interest in the Property;
2. The Nominee is the registered owner of the Property and has agreed to hold the Property as nominee and bare trustee for and on behalf of the Co-Owners from time to time;
3. Every purchaser of an undivided beneficial interest in the Property, every assignee of such purchaser, and every assignee of each such assignee, is required to execute and deliver a counterpart of this Agreement and shall be bound as a Co-Owner pursuant thereto; and

LV IV267-LV IV401-35964

4. This Agreement sets forth the provisions which govern the Co-Owners' ownership of undivided beneficial interests in the Property and any future sale, financing and/or development with the Property and their respective undivided beneficial interests therein.

NOW THEREFORE in consideration of the payment of the sum of One Dollar (\$1.00) and other good and valuable consideration now paid by each party to the other, the receipt of which is hereby acknowledged, and of the premises and the mutual covenants herein contained, the parties hereto hereby covenant and agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall be deemed to have the following meanings:

- (a) **"ASPE"** shall have the meaning ascribed thereto in Section 16 of this Agreement;
- (b) **"Additional Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (c) **"this Agreement"**, **"hereof"**, **"herein"**, **"hereunder"** and words to like effect, refer to this Co-Owners Agreement as a whole and not to any particular provision, as it may be amended, supplemented and/or restated from time to time;
- (d) **"Business Day"** means any day of the week other than a Saturday, Sunday or a day which is a statutory holiday, in Ontario, Canada;
- (e) **"Concept Planning Fund"** shall have the meaning ascribed thereto in Section 18 of this Agreement;
- (f) **"Co-Owners"** means the owners from time to time of Interests and who have signed a counterpart of this Agreement, and shall include the Purchaser, as well as the Vendor to the extent that it retains any Interest, and **"Co-Owner"** means any of the Co-Owners;
- (g) **"Co-Owners Record"** has the meaning ascribed thereto in Section 11 of this Agreement;
- (h) **"CRA"** means the Canada Revenue Agency, established pursuant to the *Canada Revenue Agency Act*, S.C. 1999, c. 17, which administers tax laws of Canada, including under the *Income Tax Act*, for the Government of Canada;
- (i) **"Declaration of Trust"** means the declaration of trust executed by the Nominee concurrently with the completion by a Co-Owner of the purchase from the Vendor of an Interest and pursuant to which the Nominee declares and confirms that it holds registered title to the Property in trust for and on behalf of such Co-Owner, to the extent of such Co-Owner's respective Interest. For greater certainty, **"Declaration of Trust"** includes the declaration of trust executed by the Nominee upon the completion by a Co-Owner of the Transfer of an Interest to a transferee in accordance with the provisions of this Agreement, and includes the declaration of trust executed by the Nominee in favour of the Vendor at the time of its acquisition of the Property;
- (j) **"Designated Person"** shall have the meaning ascribed thereto in Section 10 of this Agreement;

- (k) **"Dispute"** shall have the meaning ascribed thereto in Section 31 of this Agreement;
- (l) **"Excise Tax Act"** means the *Excise Tax Act* (Canada), as amended from time to time, including the regulations made pursuant thereto;
- (m) **"HST"** means the harmonized sales tax payable pursuant to the *Excise Tax Act*, including the Province of Ontario's portion thereof;
- (n) **"Income Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended from time to time, including the regulations made pursuant thereto;
- (o) **"Initial Advance"** shall have the meaning attributed thereto in Section 18 of this Agreement;
- (p) **"Interest"** means the undivided beneficial interest in the Property purchased by a Co-Owner pursuant to a Sale and Purchase Agreement, and includes any undivided beneficial interest in the Property continued to be owned by the Vendor, and **"Interests"** means every Interest;
- (q) **"Land Transfer Tax Act"** means the *Land Transfer Tax Act*, R.S.O. c.L.6, as amended;
- (r) **"LTT"** means the land transfer tax payable pursuant to the *Land Transfer Tax Act*;
- (s) **"Net Income"** shall have the meaning attributed thereto in Section 6(j) of this Agreement;
- (t) **"Notice Requisitioning an Ordinary Resolution"** shall have the meaning attributed thereto in Section 8 of this Agreement;
- (u) **"Notice Requisitioning a Special Resolution"** shall have the meaning attributed thereto in Section 10 of this Agreement;
- (v) **"Offer"** shall have the meaning attributed thereto in Section 19 of this Agreement;
- (w) **"Operator"** means LV IV Capital Management Inc., or the Designated Person that may be appointed as the Operator's replacement as determined in accordance with Section 10 of this Agreement;
- (x) **"Ordinary Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 51% of the aggregate Interests in the Property;
- (y) **"Planning Activities"** means the reports, plans, studies, audits, assessments, investigations, legal proceedings, procedures, filings, submissions, applications and/or any other actions taken or made in respect of or in furtherance of the rezoning of, or other land use planning matters related to, the Property;
- (z) **"Property"** means the real property legally described on Schedule "1" annexed hereto;
- (aa) **"Retained Interest"** shall have the meaning attributed thereto in Section 23 of this Agreement;
- (bb) **"Sale and Purchase Agreement"** means the agreement of sale and purchase, or an agreement substantially in the form of the agreement of sale and purchase, entered into

between the Vendor, as vendor, and each Co-Owner (other than the Vendor), as purchaser, pursuant to which each Co-Owner agreed to acquire its respective Interest in the Property. **"Sale and Purchase Agreements"** means every Sale and Purchase Agreement;

(cc) **"Special Resolution"** means a written resolution in one or more counterparts signed by Co-Owners holding, in the aggregate, not less than 85% of the aggregate Interests in the Property;

(dd) **"Transfer"** shall have the meaning ascribed thereto in Section 11 of this Agreement; and

(ee) **"Vendor"** means TSI-LV IV International Canada Inc.

2. INTERPRETATION

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the division of this Agreement into Articles, paragraphs, subparagraphs and schedules and the insertion of headings are provided for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

(b) all references to currency herein are references in Canadian dollars;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

(d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;

(e) all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun.

3. TITLE

Legal title to the Property shall be held in the name of the Nominee, which shall hold such title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Vendor, to the extent of its Retained Interest, if any.)

4. MAILING ADDRESSES

The mailing address of the Nominee, the Vendor and the Operator shall be 1 Robert Speck Parkway, Suite 960, Mississauga, Ontario, Canada L4Z 3M3, provided that the Nominee, the Vendor and/or the Operator may change its mailing address from time to time by giving notice in writing to that effect to all Co-Owners, pursuant to the notice provisions contained in this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF THE NOMINEE AND OPERATOR

- (a) The Nominee represents and warrants to each of the Co-Owners that:
- (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite power, capacity and corporate authority to act as nominee and to perform its obligations under this Agreement;
 - (iii) it shall not carry on any business other than for the purposes set forth in this Agreement;
 - (iv) it holds and shall continue to hold legal title to the Property as nominee and bare trustee for and on behalf of each Co-Owner to the extent of each Co-Owner's Interest; and
 - (v) it shall only deal with the Property in the manner and as provided for in this Agreement.
- (b) The Operator represents and warrants to each of the Co-Owners that:
- (i) it is and shall continue to be a corporation incorporated and in good standing under the laws of the Province of Ontario;
 - (ii) it has and shall continue to have the requisite capacity and corporate authority to act as Operator, and to perform its obligations under this Agreement; and
 - (iii) it shall comply with its obligations as provided for in this Agreement.

6. OPERATION AND MANAGEMENT OF THE PROPERTY

The Co-Owners hereby appoint the Operator and the Operator hereby accepts the appointment as the operator and manager of the Property and agrees to undertake such Planning Activities as the Operator may determine in its discretion, acting reasonably, are required to rezone the Property to such use or uses as the Operator shall determine, acting reasonably, and in the best interest of the Co-Owners. The Operator agrees to carry out such Planning Activities and to operate and manage the Property in good faith and in the best interest of the Co-Owners. The Operator agrees to comply with the *Planning Act* (Ontario), as it may be amended from time to time, and to proceed diligently to make all necessary applications to rezone the Property to such use or uses as the Operator shall determine, in its reasonable discretion, and to use its reasonable commercial efforts, at the cost and expense of the Co-Owners, with such costs to be defrayed out of the Concept Planning Fund initially, to obtain all necessary approvals and consents from applicable governmental authorities in connection therewith. Subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have such general powers and authority to administer, manage, control, operate, finance, refinance, develop, lease, grant easements and other rights in, under and over, the Property and to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement, affidavit or document necessary for or incidental to any of the foregoing, for and on behalf and in the name of the Co-Owners, or as the Co-Owners may so direct by Special Resolution. No person dealing with the Operator

will be required to enquire into the authority of the Operator to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf or in the name of the Co-Owners.

Without limiting the generality of the foregoing provisions of this Section 6, but subject to those matters requiring an Ordinary Resolution or a Special Resolution, the Operator shall have the following specific powers and authorities without further authority or approval from the Co-Owners:

- (a) to engage such professional advisers and consultants as the Operator considers advisable in order to perform its duties hereunder;
- (b) to open and operate one or more bank accounts in its name, as agent for the Co-Owners in respect of the Property with a Canadian chartered bank or trust company, into which the Operator may deposit all rentals, if any, and other income earned from the Property (if any) (which for greater certainty shall not include the Concept Planning Fund), and out of which account(s) all expenses properly relating to the Property shall be paid, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of such funds to cover all such expenses;
- (c) to execute, deliver and carry out all other agreements which require execution by or on behalf of the Co-Owners with respect to the Property, including without limitation, any agreements required by any governmental or statutory authority having jurisdiction over or with respect to the Property, development agreements, site plan agreements, cost sharing agreements, easements and rights of way;
- (d) to enter into lease and/or tenancy arrangements in respect of the Property or any part thereof and to collect all rentals and other income therefrom, if any, provided that nothing herein shall constitute a guarantee by the Operator of the payment of any rent by tenants;
- (e) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Property out of the Concept Planning Fund, provided that nothing herein shall constitute a guarantee by the Operator of the sufficiency of funds to cover all such expenses;
- (f) to commence or to defend on behalf of the Co-Owners, the Nominee, or itself, any and all actions and other proceedings pertaining to the Property or to the Co-Owners;
- (g) to determine the amount and type of insurance coverage, if any, to be maintained in order to protect the Property and the Co-Owners from all usual perils of the type covered in respect of comparable properties and in order to comply with the requirements of any lenders of funds;
- (h) to retain, employ and pay and discharge on behalf of the Co-Owners all servants, employees, advisors, consultants and/or contractors necessary to be retained for the management and operation of the Property, including, without limitation, for matters relating to its rezoning and development;
- (i) to contract on behalf of the Co-Owners for water, gas, electricity and other utility services and commodities, including cable and telephone services necessary for the development, operation and maintenance of the Property; and

(j) to distribute the Net Income from the ownership, operation, use, financing, refinancing, and/or sale of the Property (if any) to each Co-Owner, proportionate to its respective Interest. For the purposes of this Agreement, "**Net Income**" shall mean the gross receipts (which, for greater certainty, shall not include the Concept Planning Fund) derived in any way from dealing with the Property, received by or on behalf of the Co-Owners from the ownership, operation, use, leasing, financing, refinancing, sale of, and/or development and/or any other dealing with of the Property, minus the aggregate of all proper expenses and charges incurred in connection therewith, calculated on an accrual basis, including:

- (i) payment of principal and interest owing to mortgagees or other encumbrancers, or other lenders;
- (ii) realty taxes, property tax assessments, charges or levies made by any duly constituted governmental or statutory authority, due and owing and secured by a right or apparent right to claim a lien or charge upon the Interests, or any of them, or the Property, and money due and owing from improvements to the Property secured by a lien or charge in favour of materialmen or workmen or trade contractors or other like persons or corporations upon the Interests, or any of them, or the Property;
- (iii) all costs and expenses of any sale, financing or refinancing;
- (iv) all development costs and expenses;
- (v) all costs and expenses of operating, maintaining, leasing, managing, using, and/or developing the Property, and the costs and expenses of repair;
- (vi) lighting, electricity and public utilities costs and expenses;
- (vii) professional fees reasonably attributed to the Property, its operation, use, financing, refinancing, sale and/or development;
- (viii) all other costs, expenses or disbursements which are properly attributable to the Property, except payments to the Co-Owners on account of capital or distribution of Net Income; and
- (ix) reserves in such amount as deemed appropriate by the Operator from time to time, including without limitation for the purposes of replacement of major equipment, major renovations and repairs, leasehold improvements, marketing costs and any other reserves normally required for the prudent operation, use, financing, refinancing, sale and/or development of a like property.

Each Co-Owner shall have a proportionate beneficial interest in all of the gross cash receipts derived from the Property and shall be responsible for its proportionate share of the expenses and charges incurred in connection with the Property, in each case proportionate to its respective Interest. Each Co-Owner hereby irrevocably directs the Operator to pay its proportionate share of such expenses and charges out of its proportionate share of such gross cash receipts, as well as out of the Concept Planning Fund.

Each Co-Owner hereby confirms and acknowledges that neither the Operator nor any of its officers, directors, employees, advisors, consultants, agents or representatives has made any warranty or representation, or given any advice:

(k) as to or in respect of the tax treatment of the purchase, disposition or holding of the Interest by a Co-Owner; or

(l) as to the timing of the rezoning or sale or development of the Property or the returns attainable by the Co-Owners upon a sale or lease of or other dealing with the Property.

Each Co-Owners acknowledges that he has been advised to seek his own independent legal and tax counsel prior to entering into a Sale and Purchase Agreement and this Agreement.

7. AUTHORITY TO WITHHOLD

The Operator is authorized to withhold any amounts required to be withheld from any distribution or other payment to a Co-Owner pursuant to the provisions of the *Income Tax Act* and to make payment of any such amount on behalf of a Co-Owner to the CRA, on account of taxes as may be required by law.

8. POWERS EXERCISABLE BY ORDINARY RESOLUTION

Notwithstanding anything to the contrary contained in this Agreement, the following powers shall only be exercisable by the Operator after an Ordinary Resolution is passed by the Co-Owners:

- (a) approving the sale or exchange of all or any part of the Property (other than the sale of Interests by the Operator pursuant to Sale and Purchase Agreements);
- (b) approving a proposal or plan to develop the Property;
- (c) subject to Section 17, consenting to the amendment of this Agreement, provided that, no amendment to this Agreement shall impose or increase any financial or other obligations upon any of the Nominee of the Operator, or in any way adversely affect the Nominee or the Operator, without the prior written approval of the Nominee or the Operator, as the case may be;
- (d) approving or ratifying the making of an Additional Advance by the Operator, in accordance with Section 18; or
- (e) requiring that the financial statements for the Property be audited.

Other than a matter which under the terms of this Agreement requires a Special Resolution, the Operator may at any time and from time to time by notice in writing to all Co-Owners substantially in the form annexed hereto as Schedule "2" (the "**Notice Requisitioning an Ordinary Resolution**") request the Co-Owners to consider and approve any matter relating to the Property not requiring a Special Resolution. The Notice Requisitioning an Ordinary Resolution shall specify with reasonable detail the matter to be approved by the Co-Owners.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution. If the Operator fails to deliver such Notice Requisitioning an Ordinary Resolution within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or a group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the

Notice Requisitioning an Ordinary Resolution with respect to any matter relating to the Property not requiring a Special Resolution which the Operator failed to deliver within the time provided in this Section 8 for the Operator to do so.

9. POWERS EXERCISABLE BY SPECIAL RESOLUTION

The following powers shall only be exercisable by Special Resolution passed by the Co-Owners:

- (a) terminating the appointment of the Operator and appointing a new Operator from time to time, in accordance with the provisions of Section 10;
- (b) instituting or continuing an action or suit against the Operator for damages based upon the fraud or gross negligence of the Operator in the performance of its obligations under this Agreement;
- (c) requiring the Operator to remove the incumbent independent firm of chartered accountants qualified in Canada appointed pursuant to Section 16 and requiring the Operator to appoint a replacement; or
- (d) appointing a replacement for the Nominee in the event that the Nominee should be wound up or dissolved or be declared a bankrupt, such replacement to hold legal title to the Property as nominee and bare trustee for and on behalf of the Co-Owners, to the extent of their respective Interests (including the Operator if it retains any Retained Interest.)

10. CONTROL AND AUTHORITY VESTS WITH CO-OWNERS

The Co-Owners may by Special Resolution terminate and remove the Operator (in its capacity as Operator and not as a Co-Owner) and appoint a new Operator in its place and stead. Such new Operator shall be bound by all of the terms of this Agreement and shall execute an agreement confirming that it is bound under this Agreement as if it was an original signatory thereto.

Upon termination, the Operator terminated shall forthwith upon request of the person designated in the Special Resolution as the replacement Operator (the "**Designated Person**") do the following:

- (a) deliver all agreements, documents, instruments, books and records and writings relating to the Property in its possession to the Designated Person, including, without limitation, the Co-Owners Record;
- (b) execute and deliver such consents, acknowledgements and assignments pertaining to the Property and any Planning Activities as the Designated Person may require;
- (c) cause its representatives on the board of directors of the Nominee to execute resignations as directors and officers forthwith after being required to do so by the Designated Person, provided the Nominee shall continue to indemnify such directors and officers in accordance with its by-laws in existence at the date hereof;
- (d) execute and deliver a release in form and content satisfactory to the Designated Person, acting reasonably, releasing the Nominee and the Co-Owners from any liability, provided that: (i) the release by the Operator shall not release the Co-Owners from their obligation to continue to indemnify the Operator pursuant to Section 21 hereof; and (ii) the

Operator receives a release in form and content satisfactory to the Operator, acting reasonably, executed by the Nominee and by the Designated Person for and on behalf of itself and each of the Co-Owners, releasing the Operator from any liability, and the Co-Owners expressly acknowledge and agree that the Designated Person shall have the power and authority to deliver such release, without any further approval or authorization required from the Co-Owners;

- (e) do all things necessary and execute all necessary documents to effect the change of shareholders of the Nominee as directed by the Designated Person; and
- (f) otherwise co-operate and assist to carrying out and giving effect to each of the actions set out in Section 10(a), (b), (c), (d) and (e) above.

The Operator may at any time and from time to time by notice in writing, substantially in the form annexed hereto as Schedule "3" (the "**Notice Requisitioning a Special Resolution**") to all Co-Owners, request the Co-Owners to consider and approve any matter relating to the Property requiring a Special Resolution pursuant to the terms of this Agreement. The Notice Requisitioning a Special Resolution shall specify with reasonable detail the matter to be considered and approved by Special Resolution.

Any Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may at any time and from time to time by written notice to the Operator require the Operator to deliver a Notice Requisitioning a Special Resolution with respect to any matter relating to the Property, including any matter requiring a Special Resolution pursuant to this Agreement. If the Operator fails to deliver such Notice Requisitioning a Special Meeting within 21 days after receiving the written request to do so, then in such event, a Co-Owner holding an Interest of 15% or more in the Property or any group of Co-Owners holding Interests of 15% or more in the Property, may deliver to the other Co-Owners the Notice Requisitioning a Special Resolution which the Operator failed to deliver within the time provided in this Section 10 for the Operator to do so.

11. CO-OWNERS RECORD AND TRANSFERS OF INTEREST

The Operator shall record and at all times maintain and keep up to date a record of the names, addresses and other contact information for the Co-Owners, and the Interest held by each of the Co-Owners as well as particulars of any Transfer of Interests (collectively, the "**Co-Owners Record**").

No Co-Owner shall sell, transfer, assign, mortgage, pledge, grant a security interest or otherwise encumber or dispose of its Interest in the Property (each, a "**Transfer**"), except in compliance with any applicable requirements of the *Securities Act* (Ontario) and any other applicable legislation and otherwise in accordance with the provisions of this Agreement, if and to the extent required.

A Co-Owner may Transfer an Interest or part thereof provided that such Co-Owner complies and satisfies each of the following conditions:

- (a) the transferor first delivers to the Operator an original or notarial copy of the executed document or instrument effecting the Transfer which shall be in such form as may be acceptable to the Operator, acting reasonably;
- (b) the transferee agrees in writing and in such form as may be acceptable to the Operator, to be bound by the terms of this Agreement and upon completion of the Transfer to

assume the obligations of the transferor under this Agreement in respect of the Interest subject to the Transfer;

(c) the transferor delivers or causes to be delivered to the Operator a direction addressed to both the Nominee and the Operator, in form and substance satisfactory to the Operator and the Nominee, directing the Nominee to execute and deliver a Declaration of Trust for the Interest subject to the Transfer in favour of the transferee;

(d) the transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Operator by reason of the Transfer;

(e) the transferee pays all applicable HST pursuant to the *Excise Tax Act*, and all applicable LTT pursuant to the *Land Transfer Tax Act*, and makes or causes to be made any and all necessary filings, payments and remittances within the time periods required therefor under the provisions of the *Excise Tax Act* and the *Land Transfer Tax Act* and the respective regulations thereunder;

(f) the transferor either provides the transferee with evidence reasonably satisfactory to the transferee that the transferring Co-Owner is not then a "non-resident" of Canada within the meaning of the *Income Tax Act* or provide the transferee with a certificate pursuant to subsection 116(2) of the *Income Tax Act* with a certificate limit in an amount not less than the purchase price for the Interest subject to the Transfer; provided that if such evidence or certificate is not forthcoming, the transferee shall be entitled to make the payment of tax required under section 116 of the *Income Tax Act* and to deduct such payment from the purchase price for the Interest subject to the Transfer;

(g) the transferee executes and delivers to the Operator a counterpart of the Agreement; and

(h) the transferor provides such other documents, agreements, acknowledgements and confirmations as may be required by the Operator or by law (including compliance by the transferring Co-Owner with the provisions of the *Securities Act* (Ontario) if and to the extent applicable).

When a transferee of an Interest is entitled to become a Co-Owner pursuant to the provisions hereof, the Operator will:

(i) record a Transfer of the Interest; and

(j) forward a Declaration of Trust to the transferee in respect of the Interest so transferred.

For the avoidance of doubt, a Transfer by Co-Owner may include a transfer into trust, in which case the terms "sale and purchase agreement", "Purchaser", "purchase", "purchased", and "sale", wherever such terms appear in this Agreement, shall be read so as to recognize that such Transfer is not a purchase and sale transaction between a Co-Owner and a purchaser but a transaction in the nature of a transfer into trust by the transferring Co-Owner to a trustee. Nothing in this Section 11 shall be construed to affect the provisions of Section 12 of this Agreement.

12. OPERATOR NOT BOUND TO SEE TO TRUST OR EQUITY

Other than pursuant to the terms of the Declaration of Trust, the Operator shall not be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any Interest is subject, or to ascertain or inquire whether any sale or transfer of any such Interest by any Co-Owner or by his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded by the Operator as the Co-Owner.

13. INCAPACITY, DEATH, INSOLVENCY OR BANKRUPTCY

Where a person becomes entitled to an Interest by incapacity, death, insolvency or bankruptcy of a Co-Owner or otherwise by operation of law, in addition to the requirements of Section 11 hereof, that person will not be recorded as or become a Co-Owner until:

- (a) he produces evidence satisfactory to the Operator of such entitlement; and
- (b) he has delivered such other evidence, approvals and consents in respect of such entitlement as the Operator may require and as may be required by applicable law or by this Agreement.

14. DECLARATIONS OF TRUST

A separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of a Co-Owner to the extent of the Co-Owner's Interest. Provided that the Transfer of an Interest has been effected in accordance with the provisions of Section 11 of this Agreement, a separate Declaration of Trust shall be executed and delivered by the Nominee to each transferee Co-Owner of an Interest from a transferring Co-Owner, wherein the Nominee shall declare that it holds title to the Property as nominee and bare trustee for and on behalf of the transferee Co-Owner to the extent of such Co-Owner's Interest.

15. LOST DECLARATIONS OF TRUST

Where a Co-Owner by notice in writing advises the Operator that the Declaration of Trust with respect to such Co-Owner's Interest has been defaced, lost or destroyed or wrongly taken, the Operator may cause a new Declaration of Trust to be issued, provided that the Co-Owner files with the Operator an indemnity in such form as is satisfactory to the Operator to indemnify the Operator, the Nominee and the other Co-Owners from any loss, cost, liability or damages that it or they may incur or suffer by complying with the request to issue a new Declaration of Trust, and provided further that the Co-Owner satisfies all other reasonable requirements of the Operator, including delivery of a form of proof of loss.

16. BOOKS AND RECORDS AND FINANCIAL REPORTS

The Operator will keep or cause to be kept on behalf of the Co-Owners at the Operator's principal place of business in Ontario:

- (a) full and accurate books of account and records of all financial transactions relating to the Property including, without limitations, the receipts and expenditures relating to the Property and the Concept Planning Fund;
- (b) the Co-Owners Record setting out the name and address of each Co-Owner; and
- (c) copies this Agreement and all counterparts.

At any time upon 10 Business Days written notice to the Operator a Co-Owner may request the Operator to examine any of the documents noted in clauses (a) and (b) above at the office of the Operator and may take copies thereof provided that such requesting Co-Owner pays the reasonable cost to the Operator for making such copies, provided further that any such requesting Co-Owner shall have first provided an affidavit and undertaking, in form and substance satisfactory to the Operator, acting reasonably, duly sworn before a notary public or other individual authorized to administer oaths in the jurisdiction of residence of the

Purchaser, stating: (aa) the name and address of such requesting Co-Owner, and that the Co-Owner is a Co-Owner; (bb) that the Co-Owners Record shall not be used by the requesting Co-Owner or any other person except in connection with a *bona fide* effort to influence the voting by Co-Owners on an Ordinary Resolution or a Special Resolution; (ccc) that the information so provided is subject to applicable privacy rules and regulations; (ddd) that none of the information provided pursuant to clause (a) above shall be disclosed by or on behalf of the requesting Co-Owner to any person who is not a Co-Owner, that such information is proprietary to the Operator and the Co-Owners, and that its disclosure could cause irreparable harm to the other Co-Owners and the Operator; (eee) that the requesting Co-Owner will not, directly or indirectly, offer for sale or purchase, or otherwise traffic in, a list or copy of a list of the Co-Owners or any information contained in the Co-Owners Record; (fff) the requesting Co-Owner acknowledges and agrees that in the event of a breach of any of the covenants, provisions and restrictions in affidavit, the Co-Owners' and Operator's remedy in the form of monetary damages may be inadequate and that the Operator, for itself and on behalf of the other Co-Owners, shall be authorized and entitled, in addition to all other rights and remedies available to it and them, to apply for and obtain from any court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach; and (ggg) that the requesting Co-Owner shall indemnify and hold harmless the Operator and the Nominee and the other Co-Owners from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee or the other Co-Owners by reason of any breach by such requesting Co-Owner of any of the covenants, provisions and restrictions contained in the affidavit.

The Operator shall provide or cause to be provided to each Co-Owner not later than 120 days after the end of each calendar year, financial statements showing the financial results for the Property for such calendar year. The Operator shall retain, at the expense of the Co-Owners, an independent firm of chartered accountants qualified in Canada to prepare such financial statements. Such financial statements shall contain a balance sheet, and a statement of cash flows and shall be prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") applicable to the real estate industry in Canada and applied on a consistent basis from year to year. The financial statements shall not be required to be audited unless the Co-Owners by Ordinary Resolution require audited financial statements. For greater certainty, the funds in the Concept Planning Fund are hereby recognized as being the funds of the Operator, not of the Co-Owners.

17. AMENDMENT OF AGREEMENT

This Agreement may be amended in writing on the initiative of the Operator with the consent of the Co-Owners given by Ordinary Resolution. Notwithstanding the foregoing, the Operator may, without any prior notice to or consent from the Co-Owners amend any provision of this Agreement from time to time:

- (a) to cure an ambiguity or to correct or supplement any provision contained herein which, in the reasonable opinion of the Operator, may be defective or inconsistent with any other provision contained herein, and with respect to which the cure, correction or supplemental provision does not and will not adversely affect the Interests of the Co-Owners; or
- (b) to make such other provisions in regard to matters or issues relating to or arising under this Agreement which, in the reasonable opinion of the Operator, do not and will not adversely affect the Interests of the Co-Owners.

The Operator agrees to inform the Co-Owners by written notice within 60 days following the effective date of an amendment to this Agreement and provide copies of the amending agreement within the said 60 days.

18. PLANNING ACTIVITIES AND CONCEPT PLANNING FUND

As agent for the Vendor, the Operator shall deposit an amount equivalent to the Concept Planning Fund Contribution (as such term is defined in each Sale and Purchase Agreement) received by the Vendor under every completed Sale and Purchase Agreement into a single, segregated account (the "**Concept Planning Fund**") to be in the name of the Operator and to be used by the Operator solely for the purpose of paying the costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities, and those costs and expenses enumerated in Section 6(j) of this Agreement.

The Concept Planning Fund is intended to be a deposit account. Each Co-Owner's respective proportionate share of any excess cash remaining in the Concept Planning Fund, as determined by the Operator, will be refunded without interest to the Co-Owner following completion of the sale of the Property. Each Co-Owner's share of any shortfall in the Concept Planning Fund (and in the payment of those other costs and expenses enumerated in Section 6(j) of this Agreement) will be paid by the Co-Owner and deducted from his proportionate share of any sale proceeds receivable by him, if and when the Property is sold or otherwise disposed of. Each Co-Owner hereby irrevocably authorizes and directs the Operator to withhold from his proportionate share of any amounts otherwise receivable by it under this Agreement the amount of any such shortfall, and to pay such amount to the Operator.

The Operator shall keep proper and accurate records and details of all expenses paid out of the Concept Planning Fund, and at the request of the Vendor, provide access to the Vendor's representatives to such records and details of expenses to permit the Vendor to satisfy itself that such expenses were paid in accordance with the provisions of this Agreement.

The Operator shall prepare, perform and take or cause to be prepared, performed and taken all Planning Activities as it determines in its reasonable discretion are necessary for and on behalf of the Co-Owners including, without limitation, the following:

- (a) surveys and concept plans in connection with the rezoning of the Property;
- (b) in the reasonable discretion of the Operator, engage all consultants and professionals including, without limitation, legal counsel with respect to rezoning of the Property or any other Planning Activities;
- (c) enter into or request the Nominee to enter into and deliver any documents, consent, acknowledgements or agreements including, without limitation, easements, rights in the nature of an easement, transfers, undertakings, applications, appeals and/or any other similar or related agreements or documents which may be required in the reasonable discretion of the Operator in connection with the Planning Activities;
- (d) pay for all costs and expenses associated with Planning Activities, municipal property taxes and the cost of maintaining the Property, out of the Concept Planning Fund, and if insufficient, out of additional funds provided by the Co-Owners; and
- (e) keep detailed records and accounts for or pertaining to the Planning Activities.

If the amount set aside in the Concept Planning Fund is not sufficient to defray all costs and expenses related to the Property of every nature and kind, including without limitation, those incurred in connection with any Planning Activities and those costs and expenses enumerated in Section 6(j) of this Agreement, the Operator, in the exercise of its absolute discretion, and without the approval of the Co-Owners, may advance to the Co-Owners an amount or amounts on account of such shortfall to a maximum of 5% of the aggregate purchase prices paid by all Co-Owners for their respective Interests (collectively, the "**Initial Advance**"). The Initial Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance made to the Co-Owners out of the proceeds of the sale of the Property.

If the cost of Planning Activities exceeds the combination of the Concept Planning Fund and the Initial Advance, the Operator, as it deems necessary in the exercise of its absolute discretion but subject to the approval of the Co-Owners by way of an Ordinary Resolution, may advance to the Co-Owners additional amounts as may be required for such purposes (collectively, the "**Additional Advance**"). The Additional Advance amount shall bear no interest and shall be fully repaid out of the proceeds derived from the Property including from the sale of the Property, after repayment of the Initial Advance, and the Operator shall be entitled to withhold an amount sufficient to repay the aggregate amount of the Initial Advance and the Additional Advance made to the Co-Owners out of the proceeds of the sale of the Property.

19. SALE OF THE PROPERTY

Any offer to purchase the Property received by the Operator or the Nominee, which the Operator deems acceptable (the "**Offer**") shall be presented to all of the Co-Owners for consideration and if approved by an Ordinary Resolution such Offer shall be accepted by the Nominee and such acceptance shall be binding upon all of the Co-Owners. Any sale of the Property by the Nominee resulting from an Offer the acceptance of which was approved by an Ordinary Resolution of the Co-Owners shall be deemed to include the sale by the Co-Owners of the Interests.

The Co-Owners hereby agree that Operator shall have the right, exercisable by notice in writing to the Co-Owners within 30 days after the Co-Owners have passed an Ordinary Resolution to accept the Offer, to purchase the Property at the same price and on the same terms and conditions as are contained in the Offer approved by Ordinary Resolution of the Co-Owners.

If the Operator fails to provide the notice exercising its right to purchase the Property on the same terms and conditions as are contained in the Offer within the said 30 days, then the Nominee shall accept the Offer and complete the transaction with the party that made the Offer the acceptance of which was approved by Ordinary Resolution of the Co-Owners.

20. HST AND LTT

Each of the Co-Owners hereby authorizes the Operator to make any and all filings, payments and/or remittances for HST with respect to the purchase by each Co-Owner of his respective Interest and any other payments of HST applicable to the services provided to the Nominee or in respect of the Property or the Interest of a Co-Owner.

Each Co-Owners hereby authorizes the Operator to carry out any HST reporting or filing obligations that are required in respect of the Interests or the Property. Such authority shall

include the execution of any documents that have to be or which may be advisable to be executed under the *Excise Tax Act*. The Operator shall to the extent required under the *Excise Tax Act* make and satisfy all filing and reporting obligations of a Co-Owner with respect to the Interest of the Co-Owner and shall provide each Co-Owner with copies of such filings and reports.

Each of the Co-Owners hereby authorizes the Operator to make any and all filings payments and/or remittances, from funds provided by the Co-Owner, relating to LTT arising from the purchase by each Co-Owner from the Vendor of his respective Interest in the Property. For greater certainty, each of the Co-Owners hereby authorizes the Operator on behalf of the Co-Owner and with the Co-Owner's funds to make any and all payments, remittances and filings under the provisions of the *Land Transfer Tax Act* relating to LTT and within the time period required therefor under the *Land Transfer Tax Act*, arising from the acquisition and/or ownership of the Interest. The Operator shall provide each Co-Owner with copies of such filings and evidence of the payments and remittances upon the written request of a Co-Owner.

21. POWER OF ATTORNEY

Each Co-Owner hereby nominates, constitutes and appoints each of the Operator and the Nominee, acting alone or together, with full power of substitution, as his true and lawful attorney and agent with full power and authority in his name, place and stead, for his use and benefit, to do the following, as fully and effectually as the Co-Owner could do if personally performed including, without limitation:

- (a) execute and deliver all such documents or instruments on behalf of and in the name of the Co-Owners, or any of them, as may be deemed necessary by the Operator to carry out fully the provisions of this Agreement in accordance with its terms;
- (b) execute, swear to, acknowledge, deliver, file and/or remit to or with the Ministry of Finance (Ontario) pursuant to the *Land Transfer Tax Act*, as amended, all necessary returns and payment or remittances in connection with the acquisition by the Co-Owners of their respective Interests in the Property;
- (c) execute, acknowledge, deliver and file and/or remit to or with the CRA, all necessary instruments, declarations, certificates and other documents, and remittances relating to HST;
- (d) execute, acknowledge, deliver and file as and where required any election made pursuant to subsection 273(1) of the *Excise Tax Act* as contemplated in each Purchase Agreement;
- (e) execute and deliver all conveyances, agreements, documents and other instruments pertaining to the sale, development, redevelopment, financing, refinancing or leasing of the Property as the Operator determines in its sole discretion is in the best interests of the Co-Owners, and as permitted by this Agreement or authorized by Ordinary Resolution or Special Resolution of the Co-Owners; and
- (f) execute, acknowledge, deliver and file any and all CRA non-resident personal income tax returns.

Each Co-Owner acknowledges and confirms that the power of attorney granted herein is made pursuant to the *Powers of Attorney Act* (Ontario) and is a power coupled with an interest, will survive the death, disability or other legal incapacity of the Co-Owner and will survive the assignment (to the extent of the Co-Owner's obligations hereunder) by the Co-Owner of the whole or any part of his Interest and extends to the heirs, executors, administrators, successors

and assigns of the Co-Owner and may be exercised by the Operator or the Nominee, acting alone or together, executing on behalf of the Co-Owners, or any of them, any instrument, by listing all of the Co-Owners to be bound by such instrument with a single signature as attorney and agent for all of them, or otherwise. Each of the Co-Owners agrees to be bound by any representations and actions made or taken in good faith and in accordance with the terms of this Agreement by the Nominee and/or the Operator pursuant to such power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the Nominee or the Operator taken in good faith under such power of attorney. The Operator shall, at the written request of a Co-Owner, provide such Co-Owner with copies of any of the documents or instruments executed, sworn, delivered, acknowledged or remitted by the Operator for and on behalf of that Co-Owner only under the power of attorney provided for in this Section 21.

22. INDEMNIFICATION

Each of the Co-Owners hereby agrees, severally and not jointly or jointly and severally, to indemnify and hold harmless the Operator and the Nominee from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees and disbursements) incurred by the Operator or the Nominee, or by any one or more attorneys appointed by it or them under the power to substitute pursuant to the power of attorney provision contained in Section 21 above, by reason of acts, omissions or alleged acts or omissions arising out of the activities of the Operator or the Nominee on behalf of the Co-Owners or in furtherance of the Interests of the Co-Owners but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and in accordance with the Agreement.

23. VENDOR'S RIGHT TO RETAIN AN INTEREST

The Co-Owners acknowledge and agree that the Vendor has the right, but not the obligation, to retain an undivided beneficial Interest in the Property (a "**Retained Interest**"), to whatever extent it wishes, and the Vendor to the extent of any such Retained Interest shall for the purposes of this Agreement be a Co-Owner and be deemed to be bound by this Agreement. The Vendor may at any time and from time to time Transfer and assign all or any part of such Retained Interest to any person or persons it deems appropriate and upon such Transfer or assignment, the assignee or transferee thereof shall execute a counterpart of this Agreement and shall be a Co-Owner to the extent of the Retained Interest so transferred or assigned.

24. COMPETING INTERESTS

Each of the Co-Owners and the Operator is entitled, without the consent of any of the others of them, to own property and to carry on any business or activity whatsoever, whether of the same or different nature as that owned by or carried on by any of them, and whether or not in competition with the Interests, the Property or any activity carried on by any of them, and neither any Co-Owner nor the Operator shall be liable to account to any of the other of them.

25. NOTICES

Any notice or communication required or permitted to be given to the Nominee, the Vendor, the Operator or the Co-Owners hereunder shall be in writing and shall be given by delivery or by mailing to same to be addressed as follows:

- (a) To the Nominee, the Vendor or the Operator, at its respective mailing address provided in Section 4 above.

(b) To each Co-Owner at his last address shown on the Co-Owners Record maintained by the Operator.

Any notice or communication delivered as aforesaid shall be in the English language but may be accompanied by an unofficial translation and shall be deemed to have been given to the addressee on the day of delivery, if delivered by courier or, if mailed as aforesaid, shall be deemed to have been given to the addressee on the 10th Business Day following the mailing of such notice, provided that, for such purposes, no day during which there shall be a strike or other occurrence which shall interfere with normal mail services shall be considered a Business Day. If delivery of any notice or communication is made via fax, delivery shall be deemed to have been made on the day following the sending of the fax unless such day is not a Business Day, in which case delivery shall be deemed to have been made on the next Business Day.

26. FURTHER ACTS

The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

27. BINDING EFFECT

Subject to the restrictions on Transfers herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.

28. SEVERABILITY

Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts, by original or facsimile signature, with the same affect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement.

30. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, in the Country of Canada and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario, in the Country of Canada.

31. DISPUTE RESOLUTION

Any disputes, claims, disagreements, differences, (including, without limitation, interpretation, performance and enforcement) (collectively the "**Dispute**") that may arise between the Co-Owners or any of them and/or the Operator and/or the Nominee relating in any manner to this Agreement, the Property, or the Interests or any of them, shall attempted to be resolved by mediation and if such mediation is not successful, then by arbitration.

Upon written demand of the Nominee, the Operator or the Co-Owners or any them and within 10 days after such demand, the parties shall attempt to appoint a mediator. If within such period of time they are unable to agree on a mediator, the Dispute shall be resolved by arbitration. If the parties to the Dispute are unable to agree upon a single arbitrator within 10 days after a demand has been made by any party to the Dispute to appoint a single arbitrator then, any party to the Dispute may apply, to a Justice of the Superior Court of Justice sitting in the City of Toronto, in the Province of Ontario, Canada for the appointment of an arbitrator.

The arbitration shall proceed in accordance with the provisions of the *Arbitration Act*, 1991 (Ontario) and any amendments or successor legislation thereto, which provisions shall apply *mutatis mutandis*. The arbitrator shall have the power to determine the procedure for the arbitration and to deliver his or her award notwithstanding the default by any party in respect of any procedural order made by the arbitrator.

The arbitrator shall proceed immediately to hear and determine the Dispute. The award of the arbitrator shall be made within 30 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The award of the arbitrator shall be in writing and signed by the arbitrator, and shall be final and binding on the parties to the Dispute, not subject to any appeal, and the parties to the Dispute shall abide by the award and perform the terms and conditions thereof. The arbitration award shall deal with the costs of arbitration and all matters related thereto including the arbitrator's fees and expenses. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

Unless otherwise mutually agreed, any mediation or arbitration of a Dispute shall take place in the Municipality of Metropolitan Toronto, in the Province of Ontario, in the Country of Canada.

32. NO INTENTION TO CREATE A PARTNERSHIP

The Co-Owners acknowledge, agree and declare that the entering into of this Agreement does not, and is not intended to, create a partnership, for any purpose. The Co-Owners further agree that nothing herein is to be construed as a limitation of the powers or rights of any Co-Owner to carry on its separate respective activities. Except for the Operator as contemplated in this Agreement, none of the Co-Owners shall have the right to bind any of the other Co-Owners, transact any business in any of the other Co-Owners names or on their behalf or incur any liability for or on behalf of any of the other Co-Owners. The Co-Owners agree that they shall each report their income or loss arising from the ownership of their Interests, for both accounting and income tax purposes, and to the applicable taxing authorities, as co-venture parties independent of one another, and not as partners in a partnership.

33. NO RIGHT TO PARTITION, ETC.

Each of the Co-Owners, by becoming a party to this Agreement, agrees and will be deemed to have agreed that he will not seek any remedy or right for the termination of this Agreement which would otherwise be available at law or in equity or for the termination of the co-ownership of the Property or which would otherwise be available pursuant to the *Partition Act*, R.S.O. 1980, c. 369,) and any amendments or successor legislation thereto, and each such Co-Owner shall be forever estopped from asserting otherwise and from seeking such remedy or right. In the event of any breach of the provisions of this Section 33 by a Co-Owner, the other Co-Owners and the Operator shall, in addition to all rights and remedies at law or in equity to which it is or they are otherwise entitled, be entitled to a decree or order

perpetually restraining and enjoining such partition, application, action or other proceeding, and the first-mentioned Co-Owner shall not plead in defence thereto that there would be an adequate remedy at law, it being acknowledged by all the parties hereto that the injury and damages flowing from any such breach would be impossible to measure monetarily.

34. TIME

Time shall be of the essence of this Agreement.

35. REFERENCE DATE

This Agreement is dated for reference as of the 15TH day of November, 2013.

IN WITNESS WHEREOF this Agreement is executed with effect as of the day and year first above written.

EXECUTED this 10TH day of JANUARY 2014 **CO-OWNER**
with effect as of the day and year first
above written.

WITNESS

✓ **SIGNATURE OF WITNESS**
Chiaki Hayashi

Signature of Witness

Print: **CHIAKI HAYASHI**

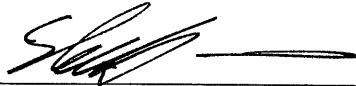
SIGNATURE OF CO-OWNER ★
Mizue Fukiage

Signature of Co-Owner

Print: **MIZUE FUKIAGE**

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

LONDON VALLEY IV INC.

Per: 

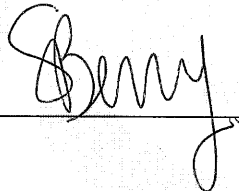
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

TSI-LV IV INTERNATIONAL CANADA INC.

Per: 

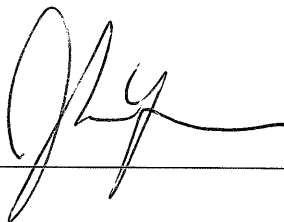
Name: _____

Title: _____

I/We are authorized to bind the Corporation.

LV IV CAPITAL MANAGEMENT INC.

EXECUTED this 7TH day of FEBRUARY, 2014
with effect as of the day and year first
above written.

Per: 

Name: _____

Title: _____

I/We are authorized to bind the Corporation.

SCHEDULE "1"

Legal Description of Property

Lands and premises located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTR As In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster

SCHEDULE "2"

NOTICE OF REQUISITION OF ORDINARY RESOLUTION

By Co-Owners

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

Witness	)	Co-Owner
	)	
	)	
Signature	)	Signature
Print:	)	Print: <u>MIZUE FUKIAGE</u>
	)	
Address:	)	Address:
	)	

Unit Identification No. LV IV267-LV IV401

By Operator

NOTICE IS HEREBY GIVEN that the undersigned requests the approval of the Ordinary Resolution attached as Appendix 1 hereto **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Ordinary Resolution attached is not returned signed to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Ordinary Resolution.

Dated the ____ day of ____, 201__.

LV IV CAPITAL MANAGEMENT INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation.

LV IV267-LV IV401-35964

Appendix 1

FORM OF ORDINARY RESOLUTION

The Undersigned Co-Owner hereby elects to

() The Undersigned approves the following Resolution; or

() The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

MIZUE FUKIAGE

Address:

Address:

Unit Identification No. LV IV267-LV IV401

Identification No. _____

SCHEDULE "3"

NOTICE OF REQUISITION OF SPECIAL RESOLUTION

NOTICE IS HEREBY GIVEN that the undersigned Co-Owners holding 15% or more of the Interests require the Operator to request by written notice to all Co-Owners to approve the Special Resolution attached hereto as Appendix I **by no later than** the ____ day of ____, 201__ (the "**Return Date**"). If the form of Special Resolution attached is not returned to the Operator by the Return Date, the Co-Owner who has not returned the form by the Return Date shall be deemed to have refused to approve the Special Resolution.

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print: _____

Print: MIZUE FUKIAGE

Address: _____

Address: _____

Unit Identification No. LV IV267-LV IV401

Identification No. _____

Appendix I

FORM OF SPECIAL RESOLUTION

The Undersigned Co-Owner hereby elects to

() The Undersigned approves the following Resolution; or

() The Undersigned does not approve the following Resolution.

(Insert the Resolution requested in reasonable detail)

Dated the ____ day of ____, 201__.

Witness

Co-Owner

Signature

Signature

Print:

Print:

MIZUE FUKIAGE

Address:

Address:

Unit Identification No. LV IV267-LV IV401

Identification No.

DECLARATION OF TRUST

Cert. No. LV_IV_JP_5e8a5161de49c943dd66591511207f50

ID. 35964 UDI. LV IV267-LV IV401

Interest: 135/512TH

This is to certify that MIZUE FUKIAGE is

the owner of an undivided beneficial 135/512TH interest (the "Interest") representing a value of One Million Three Hundred Fifty Thousand dollars of lawful money of Canada (C\$1,350,000.00) in the real property located on 6211 Colonel Talbot Road, in the city of London, in the province of Ontario, in the country of Canada and legally described as Part Lot 57 WTRAs In 753369 Save & Except PT 2 PL 33R-16279, London/Westminster (the "Property") and that London Valley IV Inc., as the registered holder of title to the Property, declares and acknowledges that it is holding title to the Property in trust for and on behalf of MIZUE FUKIAGE, to the extent of the Interest.

Reference is made to the co-owners agreement (the "Agreement") dated for reference as of the 15TH day of November, 2013 among the owner of the Interest named in the within Declaration of Trust, London Valley IV Inc. TSI-LV IV International Canada Inc., LV IV Capital Management Inc. and all other owners of undivided beneficial interests in the Property from time to time who execute a counterpart of the Agreement. The Agreement provides for certain rights and obligations of the owners of undivided beneficial interest in the Property.

This Declaration of Trust and the Interest represented hereby are not transferable by delivery but only by the registered holder hereof, or by his agent duly authorized in writing, upon compliance with the provisions of the Agreement, including delivery to TSI-LV IV International Canada Inc. at its principal office in Mississauga, Ontario, of this Declaration of Trust together with a duly executed transfer of beneficial interest in the form required by TSI-LV IV International Canada Inc.

IN WITNESS WHEREOF London Valley IV Inc. and TSI-LV IV International Canada Inc. have caused this Declaration of Trust to be signed by its duly authorized officers this 7TH day of FEBRUARY 2014.

LONDON VALLEY IV INC.

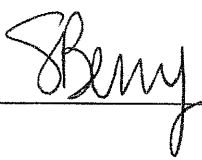
Per: 

Name:

Title:

I/We have authority to bind the Corporation

TSI-LV IV INTERNATIONAL CANADA INC.

Per: 

Name:

Title:

I/We have authority to bind the Corporation

LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV
RESTRUCTURING INC.
Plaintiff

- and -

BEHZAD PILEHVER et al.

Defendants

Court File No.CV-25-00748799-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD OF THE PLAINTIFF
VOLUME I
(Ex Parte Motion for Mareva Injunction)

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Mark van Zandvoort (LSO No. 59120U)

Email: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSO No. 61044N)

Email: kplunkett@airdberlis.com

Adrienne Ho (LSO No. 68439N)--

Email: aho@airdberlis.com

Calvin Horsten (LSO No. 90418I)

Email: chorsten@airdberlis.com

Lawyers for the Plaintiff