

**In the Matter of the Proposal of Retrocom Growth Fund Inc.,
a Corporation Duly Incorporated under the Laws of Canada,
of the City of Toronto, in the Province of Ontario**

PROPOSAL

Retrocom Growth Fund Inc. hereby submits the following proposal under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada).

**ARTICLE I
DEFINITIONS**

1.01 Definitions

In this Proposal:

"Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, B-3, as amended;

"Administrative Fees and Expenses" means:

- (a) all proper fees and expenses of the Trustee incurred both before and after the filing by the Debtor of this Proposal pursuant to the Act; and
- (b) all reasonable fees and disbursements of counsel to the Trustee and counsel and financial advisors of the Debtor with respect to any proceedings relating to or arising out of the Proposal, the preparation of the Proposal and negotiations in connection therewith, the performance by the Debtor of its obligations hereunder, and advice to the Debtor with respect thereto, all up to and including the Effective Date;

"Affected Claim" means any Claim except for an Unaffected Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"Affected Creditors Class" means the class of Affected Creditors entitled to vote on this Proposal at the Creditors' Meeting;

"Affiliate" means any affiliate body corporate, as that term is defined in the *Canada Business Corporations Act*, of the Debtor. For greater certainty, neither Retrocom REIT nor RIMI shall be treated hereunder as an Affiliate;

"Articles of Reorganization" means the articles of reorganization to be filed in respect of the Debtor pursuant to the CBCA to give effect to the Reorganization, substantially in the form attached as Schedule "A" to this Proposal;

"CBCA" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

"Claim" means any right or claim of any Person that may be made in whole or in part against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind, which indebtedness, liability or obligation is in existence or which is based on an event, act or omission that occurred, or a condition that existed, in whole or in part prior to the Filing Date or that arises after the Filing Date as a result of or in connection with the repudiation of any Contract and any interest that may accrue thereon up to the Filing Date (or to the date of the repudiation of such Contract, where applicable) for which there is an obligation to pay, and amounts which such Person would be entitled to receive, pursuant to the terms of any Contract with such Person at law or in equity, by reason of the commission of a tort (intentional or unintentional), any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property or assets or to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) or for any other reason whatsoever against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which existed prior to the Filing Date (or to the date of the repudiation of such Contract, where applicable), together with any other rights or claims not referred to above that, in whole or part, would have been claims provable in bankruptcy had the Debtor become bankrupt at the Filing Date (or the date of the repudiation of such Contract, if applicable), together with any other rights or claims, whether or not asserted, made after the Filing Date in any way, directly or indirectly related to any action taken or power exercised prior to the Filing Date;

"Contract" means any contract, agreement, lease (including any lease of personal, real, movable or immovable property), permit, license or arrangement;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes an order approving this Proposal;

"Creditor" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"Debtor" means Retrocom Growth Fund Inc.;

"Effective Date" shall mean the date on which the transactions and agreements provided for in this Proposal, including the Reorganization Steps set out in Schedule "A" hereto, become effective, which shall be the date on which the certificate of the Trustee referenced in Section 2.02 is filed with the Court;

"Filing Date" means August 1, 2006, being the date upon which a notice of intention to make a proposal was filed by the Debtor with the Official Receiver in accordance with the Act;

"Governmental Authority" means any government, municipality, regulatory authority, governmental department, agency, commission, bureau, official, minister, agent, Court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Inspector" means any inspector appointed pursuant to Section 6.01 hereof;

"Legislation" means the legislation referred to in subsection 60(1.1) of the Act;

"Litigation Claims" means any and all claims, rights or choses in action that the Debtor may have against any Person, including, without limitation, RIMI;

"Litigation Fund" means a separate bank account, maintained by the Trustee, comprised of monies set aside from time to time, at the direction of the Inspectors, from the Proposal Fund, provided that sufficient funds are available in the Proposal Fund after reserving for the amounts contemplated in this Proposal;

"New Shares" means the new class of common shares in the capital of the Debtor to be created pursuant to the Articles of Reorganization;

"New Share Purchase Agreement" means the agreement to be entered into before February 28, 2007 between the Debtor and the New Share Purchaser for the purchase and sale of the New Shares;

"New Share Purchaser" means the purchaser of the New Shares pursuant to the New Share Purchase Agreement;

"Old Equity" means all of the issued and outstanding equity in the capital of the Debtor, including, without limitation, all issued and outstanding ordinary shares, common shares and preferred shares, and any option, warrant or agreement or right to purchase such equity, save and except for the New Shares;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, corporation, body corporate or Governmental Authority;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the Act;

"Preferred Creditor" means the holder of a Preferred Claim but only with respect to, and to the extent of, that Preferred Claim;

"Proposal" means this Proposal of the Debtor, as may be amended or altered in accordance with the terms hereof;

"Proposal Fund" means the fund created pursuant to and described in Article V of this Proposal;

"Reorganization" means the reorganization of the Debtor pursuant to Section 191 of the CBCA, for which approval of the Court will be sought on the Court Approval Date, as described in Section 7.01 of this Proposal;

"Retained Assets" means the assets of the Debtor to be retained by the Debtor subsequent to the Effective Date pursuant to the terms of the New Share Purchase Agreement, and not transferred to the Trustee;

"Retrocom REIT" means Retrocom Mid-Market Real Estate Investment Trust;

"RIMI" means Retrocom Investment Management Inc.;

"Secured Claims" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the *Personal Property Security Act* (Ontario) at the Filing Date, to the extent, and only to the extent, of the lesser of: (a) the amount of such Claim as agreed to by the Debtor or as finally determined by a court of competent jurisdiction, and (b) the realizable value of the remaining property of the Debtor subject to such security interest having regard to, among other things, the priority of such security;

"Secured Creditor" means a creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other claim by such creditor shall be an unsecured claim.

"Superintendent's Levy" means the levy payable to Superintendent of Bankruptcy pursuant to Section 147 of the Act;

"Trustee" means RSM Richter Inc., in its capacity as trustee in respect of this Proposal;

"Unaffected Claim" means only the following Claims and such other Claims as may be designated in this Proposal (or any amendments thereto) as not being affected by this Proposal and which are listed in the books and records of the Debtor or of which the Debtor and the Trustee have received actual notice:

- (i) claims for amounts due for goods or services actually supplied to the Debtor after the Filing Date;
- (ii) Secured Claims;
- (iii) Claims of the Trustee and its counsel, and Claims of the Debtor's counsel;
and
- (iv) Crown claims referred to in Section 4.03.

"Unaffected Creditor" means a creditor holding an Unaffected Claim, but only with respect to, and to the extent of such Unaffected Claim.

ARTICLE II

CONDITIONS PRECEDENT AND TRUSTEE'S CERTIFICATE

2.01 Conditions Precedent

The implementation of this Proposal shall be conditional upon the fulfillment of all of the following conditions:

- (a) The Proposal shall be approved by the Affected Creditors in accordance with the Act; and
- (b) The Proposal and the Reorganization shall be approved by the Court and all appeal periods with respect to the approval orders in respect thereof shall have expired or the Debtor shall have decided to implement and complete the Proposal prior to the expiry of such appeal periods.

2.02 Trustee's Certificate

Upon the satisfaction (or, where applicable, waiver) of the conditions set out in Section 2.01, the Trustee shall file with the Court a certificate which states that all conditions precedent set out in Section 2.01 of this Proposal have been satisfied, and that the Effective Date has occurred. In so certifying that the conditions precedent set out in Section 2.01 of this Proposal have been satisfied, the Trustee shall be entitled to rely upon certificates, representations and confirmations from the Debtor or any director or officer thereof and the Trustee shall incur no liability in connection with its reliance thereon.

ARTICLE III

CLASSES OF CREDITORS

3.01 Class of Creditors

There shall be one class of Creditors for the purpose of voting on the Proposal, being the Affected Creditors Class.

ARTICLE IV

TREATMENT OF CREDITORS' CLAIMS

4.01 Preferred Claims

All proven Preferred Claims, as contemplated by Sections 136(1)(c) to 136(1)(i) of the Act, if any, will be paid without interest from the Filing Date in full from the Proposal Fund in priority to all Unsecured Claims but after reserving for the amounts set out in Section 5.01(b) of

this Proposal, provided however that Preferred Claims of employees and former employees equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, shall be paid by the Trustee from the Proposal Fund immediately after approval of this Proposal by the Court. For greater certainty, amounts due or which may become due pursuant to this paragraph do not include claims for severance or termination.

4.02 Affected Claims

Affected Claims, other than Preferred Claims shall be dealt with as follows:

Each Affected Creditor who, on the Effective Date, holds Affected Claims shall receive, in full and final satisfaction of its Affected Claims, payment of its *pro rata* share of the Proposal Fund in respect of its proven Affected Claims in accordance with Article V hereof.

4.03 Crown Claims

After the Court Approval Date, the Trustee shall pay from the Proposal Fund Her Majesty in Right of Canada and in Right of Ontario all amounts of a kind that could be subject to a demand under the Legislation, provided however that any such claims shall be paid from the Proposal Fund within six months after the Court Approval Date.

4.04 Interest on Claims

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and holders of Affected Claims shall only be entitled to interest accruing on or before the Filing Date on any such Affected Claims. All Claims in respect of interest on Affected Claims after the Filing Date shall be discharged and extinguished on the Effective Date.

ARTICLE V **PAYMENT OF DISTRIBUTIONS TO CREDITORS**

5.01 Composition and Distribution of Proposal Fund

Subject to Section 2.01, the Trustee shall distribute from time to time in accordance with the provisions of this Proposal to each holder of a proven Affected Claim its *pro rata* share of the remaining Proposal Fund, which shall comprise:

- (a) the aggregate of the following amounts:
 - (i) all assets of the Debtor as of the Effective Date, other than the Retained Assets;
 - (ii) payments received by the Trustee pursuant to the New Share Purchase Agreement; and

- (iii) any proceeds received by the Trustee from Litigation Claims pursued by the Trustee for the benefit of the Affected Creditors, including, without limitation, any proceeds resulting from any judgment, order or settlement in respect of such Litigation Claims;

less:

- (b) the aggregate of the following amounts:
 - (i) the amount owing to the holders of Secured Claims with valid and enforceable security over the property of the Debtor, to the extent of such Secured Claims, as may be reduced from time to time by agreement of the holders of such Secured Claims;
 - (ii) a reasonable reserve, in an amount determined by the Trustee, on account of costs and expenses to be incurred by the Trustee after the Effective Date in carrying out the provisions of this Proposal and the Reorganization and including, without limitation, Administrative Fees and Expenses;
 - (iii) a reasonable reserve, in an amount to be determined by the Trustee, on account of goods or services actually supplied to the Debtor after the Filing Date;
 - (iv) the amounts paid pursuant to Section 4.03 hereof;
 - (v) the Litigation Fund, to the extent, if any, determined by the Inspectors to be allocated therefor in accordance with Article VI; and

The Trustee will only make distributions from the Proposal Fund if the amount available to be distributed makes such distributions economically practical, as determined by the Trustee, acting reasonably (having regard to, among any other considerations that the Trustee considers appropriate, the amount of liquid funds available to be distributed, any reserves or prior claims, the number of Persons to whom the distribution is to be made and the time at which further funds are expected to become available for distribution), which determination will be final and non-reviewable.

5.02 Disputed Claims

In the case of any Disputed Claim that has not been finally determined on the date of any distribution to Affected Creditors pursuant to this Proposal, the Trustee will reserve sufficient cash from the Proposal Fund to distribute to the Affected Creditor its pro-rata share in respect of such Disputed Claim in the event that such Disputed Claim becomes a proven Affected Claim. If the Disputed Claim becomes a proven Affected Claim in whole or in part in accordance with the Act after the applicable distribution date, the cash reserved in respect of such Disputed Claim (or an appropriate portion thereof) will be distributed to such Affected Creditor. If the Disputed Claim is ultimately disallowed in whole or in part in accordance with the Act after such distribution date, any cash reserved in respect of such Disputed Claim (or the appropriate portion thereof) will become available again for distribution from the Proposal Fund.

5.03 Transfer to Trustee

On the Effective Date, all assets of the Debtor, including Litigation Claims but excluding the Retained Assets, shall be, and shall be deemed to be, transferred and assigned by the Debtor to the Trustee for the benefit of the holders of proven Affected Claims.

ARTICLE VI
INSPECTORS

6.01 Appointment and Powers of Inspectors

At any meeting of the Affected Creditors to be held to consider the Proposal, the Affected Creditors may appoint one or more, but not exceeding five, Inspectors whose powers shall include, in addition to the powers conferred to the Inspectors pursuant to the Act:

- (i) advising and directing the Trustee from time to time with respect to any matter that the Trustee may refer to them;
- (ii) advising the Trustee concerning any dispute that may arise as to the validity of claims of the Affected Creditors which the Trustee may refer to them; and
- (iii) considering the Litigation Claims and determining what Litigation Claims, if any, are to be pursued and, in consultation with the Trustee, overseeing and administering any such Litigation Claims, including, without limitation, the following:
 - (A) commencing or continuing any litigation, action, application or other proceeding or any step in connection therewith;
 - (B) retaining any counsel, advisor or professional in connection with the litigation, action, application or proceeding commenced or contemplated, and to instruct such counsel, advisors or professionals;
 - (C) determining the amount of funds that are reasonably required to pursue any step, litigation, action, application or proceeding, including any fees or costs payable to counsel, advisors or professionals in respect thereof, and providing directions to the trustee to retain such funds from the Proposal Fund, if and when such funds become available, for the Litigation Fund;
 - (D) authorizing any settlement, resolution, discontinuance or dismissal of any litigation, action, step or proceeding, whether commenced prior to or after the implementation of this Proposal, in respect of Litigation Claims; and

- (iv) directing the Trustee concerning any matter raised with the Inspectors by the Trustee related to the New Share Purchase Agreement and the Transactions contemplated thereby.

6.02 Referral of Decisions of Inspectors to the Court

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

6.03 Directions to Debtor and Trustee

The Trustee shall be entitled to rely upon the decision of a majority in number of the Inspectors with respect to any direction, including, without limitation, in respect of any matter in relation to the Litigation Claims, and neither the Debtor nor the Trustee nor their respective legal counsel shall have any liability for acting in accordance with the decision of the Inspectors in respect thereof.

6.04 Discharge of Inspectors

The authority and term of office of the Inspectors shall terminate upon the discharge of the Trustee.

ARTICLE VII REORGANIZATION

7.01 Reorganization

In order to realize value for Affected Creditors from the remaining property of the Debtor in accordance with the New Share Purchase Agreement, on the Court Approval Date, the Debtor will concurrently seek an Order of the Court to approve and effect the Reorganization in order to, *inter alia*:

- (a) Create the New Shares; and
- (b) cancel all of the issued and outstanding Old Equity in the capital of the Debtor,

all as more particularly set out in the Articles of Reorganization. Holders of Old Equity will not be entitled to any payment or compensation with respect to the cancellation of the Old Equity.

7.02 Coordinated Restructuring, Reorganization and Proposal

This Proposal contemplates a coordinated reorganization of the Debtor together with a compromise of Affected Claims against the Debtor. Therefore all of the actions, documents, agreements and funding necessary to implement each of the Reorganization and this Proposal must be in place and be final and irrevocable on or prior to the Effective Date.

ARTICLE VIII
AMENDMENT TO THE PROPOSAL

8.01 Amendment, Modification or Restatement of Proposal

This Proposal and any term hereof may be amended, modified or restated by the Debtor, including, without limitation, to the extent necessary to give effect to or facilitate the New Share Purchase Agreement and the transactions contemplated therein, or by the Affected Creditors with the consent of the Debtor, at or prior to the meeting of Creditors called to consider the same or at or prior to any adjournment thereof or, if made after the meeting of Creditors, any such amendment, restatement or modification may be made unilaterally by the Debtor if, in the opinion of the Debtor and the Trustee, it concerns a matter which is administrative in nature and required to better give effect to the implementation of the Proposal and the Reorganization or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors, or with the approval of the Court in any other case.

ARTICLE IX
EFFECT OF PROPOSAL

9.01 Binding Effect of Proposal

On the Effective Date, the Proposal shall be implemented by the Debtor and shall be fully effective and binding on the Debtor and all Persons affected by the Proposal. Without limitation, the treatment of Claims under the Proposal shall be final and binding on the Debtor, the Affected Creditors and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors and assigns. For greater certainty, this Proposal shall not affect the Unaffected Creditors.

9.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

Upon approval of this Proposal by Affected Creditors and the Court in accordance with the Act, all Affected Creditors will be deemed to have given such consents and authorizations and to have taken such steps as are necessary to give effect to the terms of this Proposal.

ARTICLE X
SUPERINTENDENT'S LEVY AND ADMINISTRATIVE FEES AND EXPENSES

10.01 Superintendent's Levy

All monies payable under the Proposal shall be paid by the Debtor to the Trustee and notwithstanding any other provision hereof, all payments or distributions made by the Trustee in respect of Affected Claims pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be paid pursuant to Sections 147 and 60(4) of the Act.

10.02 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid from the Proposal Fund in priority to all Claims of Preferred Creditors and Affected Creditors, claims pursuant to Section 4.03, payments to the Litigation Fund, and all other Claims of any Person.

ARTICLE XI
RELEASE OF CLAIMS

11.01 Proposal Releases

Upon the implementation of this Proposal on the Effective Date, the following Persons (being herein referred to individually as a "**Released Party**"): (i) the Debtor, its Affiliates and their respective various legal counsel; (ii) RSM Richter Inc., in all capacities, and its legal counsel; (iii) present and former directors and officers of the Debtor and its Affiliates in such capacities; (iv) the current legal counsel of the directors and officers of the Debtor; and (v) any Person claimed to be liable derivatively through any or all of the foregoing Persons; shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all Claims in respect of statutory liabilities of present and former directors, officers and employees of any of the Related Entities, and any alleged fiduciary or other duty, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Effective Date in any way relating to, arising out of or in connection with Claims, the business and affairs of the Debtor and its Affiliates, this Proposal and the Reorganization to the full extent permitted by law, and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Debtor's obligations under the Proposal or any related document), provided that nothing herein:

- (a) shall release or discharge a Released Party from or in respect of its obligations under this Proposal;
- (b) shall affect the right of any Person:

- (i) to recover indemnity from any insurance coverage under which that Person is an insured, or
- (ii) to obtain recovery on a Claim against a Released Party from any insurer that has provided insurance coverage pursuant to which that Released Party is an insured Person, but, for certainty, any Claim to which an insurer is or would otherwise be subrogated is released hereunder such that the insurer shall not have any Claim against a Released Party, and the recovery to which such Person shall be entitled shall be limited to the proceeds of insurance actually paid by the insurer with respect to the Claim;
- (c) shall release or discharge present or former directors of any of the Related Entities with respect to matters set out in section 50(14) of the Act;
- (d) shall release or discharge RIMI or Retrocom REIT or any of their present or former directors or officers, in such capacity; or
- (e) shall release any Claim that the Debtor has or may have against any of its Affiliates.

11.02 Extinguishment of Claims

As and from the Effective Date, the treatment of Affected Claims under this Proposal shall be final and binding on all Persons affected by this Proposal (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and, upon implementation of this Proposal on the Effective Date, all Affected Claims shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE XII

TRUSTEE, CERTIFICATE OF COMPLETION AND DISCHARGE OF TRUSTEE

12.01 Proposal Trustee

RSM Richter Inc., shall be the Trustee pursuant to this Proposal. The Trustee is acting in its capacity as Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Debtor, whether existing as at the Filing Date or incurred subsequent thereto.

12.02 Discharge of Trustee

Upon completion of the distribution of the Proposal Fund by the Trustee in accordance with this Proposal, this Proposal shall be satisfied and all conditions and requirements fulfilled and met and the Trustee shall be entitled to be discharged.

ARTICLE XIII
GENERAL

13.01 Construction

In this Proposal, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of the Proposal into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Proposal;
- (b) the words “hereunder”, “hereof” and similar expressions refer to the Proposal and not to any particular Article or Section and references to “Articles” or “Sections” are to Articles and Sections of the Proposal;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;
- (f) references to dollar amounts are to Canadian dollars unless otherwise specified; and
- (g) references to times are to local time in Toronto, Ontario.

13.02 Valuation

For purposes of proofs of claim, voting and distribution, all Claims shall be valued as at the Filing Date.

13.03 Successors and Assigns

The Proposal shall be binding on and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of each Affected Creditor and each and every other person named in or subject to the Proposal.

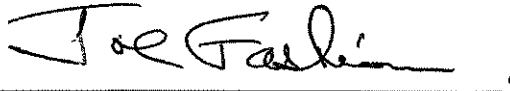
13.04 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this 30th day of January, 2007.

RETROCOM GROWTH FUND INC.

Per:



Name: JOE FASHION

Title: SIGNING OFFICER

SCHEDULE "A"



Industry Canada Industrie Canada

Canada Business Corporations Act Loi canadienne sur les sociétés par actions

FORM 14 ARTICLES OF REORGANIZATION (SECTION 191)

FORMULAIRE 14 CLAUSES DE RÉORGANISATION (ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société RETROCOM GROWTH FUND INC.	2 -- Corporation No. - N° de la société 3751112
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3 -- In accordance with the order for reorganization, the articles of incorporation are amended as follows: Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

A. To create an unlimited number of a new class of shares, designated as ordinary shares, with the rights, privileges, restrictions and conditions attaching thereto as set forth in Schedule "A" hereto;

B. Effective following the issuance of no less than one (1) ordinary share, to cancel all issued Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares.

C. Effective following the issuance of no less than one (1) ordinary share, to remove from the Corporation's capital the Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, and all rights, privileges, restrictions and conditions attaching thereto;

D. To cancel all issued and outstanding warrants, options and agreements or other rights granted by the Corporation to purchase Class A Series I Shares, Class A Series II Shares, Class A Series III Shares, Class A Series IV Shares, Class B Shares, Class C Series 1 Shares, Class C Series 2 Shares, Class C Series 3 Shares, Class C Series 4 Shares, Class C Series 5 Shares, Class C Series 6 Shares, Class C Series 7 Shares, Class C Series 8 Shares, Class C Series 9 Shares, Class C Series 10 Shares and Class C Series 11 Shares, whether vested or not; and

E. To declare that the capital of the Corporation after giving effect to the foregoing consists of an unlimited number of ordinary shares with the rights, privileges, restrictions and conditions attaching thereto as set for in Schedule "A".

Signature	Printed Name - Nom en lettres moulées	4 -- Capacity of - En qualité de	5 -- Tel. No. - N° de tél.
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FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT

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SCHEDULE "A"
ORDINARY SHARES

Voting Rights

Each holder of ordinary shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to vote thereat, except meetings at which only holders of a specified class of shares (other than the ordinary shares) or specified series of shares are entitled to vote. At all meetings of which notice must be given to the holders of the ordinary shares, each holder of ordinary shares shall be entitled to one vote in respect of each ordinary share held by such holder.

Dividends

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive any dividend declared by the Corporation.

Liquidation, Dissolution or Winding-up

The holders of the ordinary shares shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.