

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

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PAISLEY MANAGEMENT INC.

Applicant

- and -

NATURSTONE CORPORATION

Respondent

**APPLICATION RECORD OF THE APPLICANT
(Appointment of Receiver)**

Dated: February 1, 2017

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Tel: (416) 304-1616
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Kyla E.M. Mahar (LSUC#44182G)
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Lawyers for the Applicant,
Paisley Management Inc.

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TAB 1

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

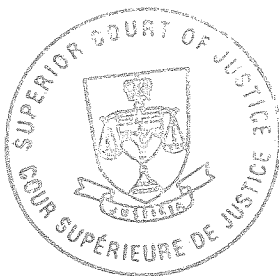
IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

PAISLEY MANAGEMENT INC.

Applicant

- and -



NATURSTONE CORPORATION

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for hearing before a Judge on Friday, February 3, 2017 at 10:00 a.m. or as soon after that time as the application can be heard at 330 University Avenue, in the City of Toronto, in the Province of Ontario, M5G 1E6.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.


IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES

ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than 2:00 p.m. on the day before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, AN ORDER MAY BE MADE IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to oppose this application but are unable to pay legal fees, legal aid may be available to you by contracting a Local Legal Aid office.

DATE: February 1, 2017

Issued by:



Address of Court office:

330 University Avenue
Toronto, Ontario M5G 1E6

A. Anissimova
Registrar

TO: THIS HONOURABLE COURT

AND TO: SERVICE LIST

APPLICATION

THE APPLICANT, Paisley Management Inc. (the “**Applicant**”), makes an application for an Order:

1. Abridging the time for service of this Notice of Application and the materials filed in support of the application and dispensing with further service thereof;
2. Substantially in the form found at Tab 3 of the Application Record, appointing HPI Advisory Inc. (“**HPI**”) as the receiver (in such capacity, the “**Receiver**”) of the property, assets and undertaking of Naturstone Corporation (the “**Debtor**”) pursuant to Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3, as amended (the “**BIA**”) and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. C-43, as amended (the “**CJA**”); and
3. Granting such other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

4. The Debtor owns a quartz quarry in Northern Ontario, which is currently not operating;
5. The Debtor’s property consists of 120 acres of patented mining claims (owned land) and approximately 140 acres of unpatented mining claims with aggregate permits in place for areas required for quarry operations. In addition to the real property, the Debtor has certain fixed and moveable assets related to the operation of the quarry and certain long term leases and contracts;

6. The Applicant advanced financing to the Debtor from time to time and the Debtor has been unable to repay such advances;
7. As security for all of the Debtor's obligations to the Applicant, the Debtor granted to the Applicant security over all of its personal property pursuant to, among other things, a General Security Agreement dated October 14, 2011 (the "**GSA**");
8. It is a term of the GSA that the Applicant may appoint a receiver upon default by the Debtor of any of its obligations to the Applicant;
9. The Applicant perfected its security by registration pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**") on June 14, 2012 against all classes of collateral, except "consumer goods" and is the first registration under the PPSA against the Debtor;
10. As continuing collateral security for payment and satisfaction to the Applicant of all obligations, the Debtor granted a Charge/Mortgage in the principal amount of \$1,000,000 plus interest and fees as described therein (the "**Charge**") over its real property legally described as PIN 49032-0012 (LT) in Land Registry Office #36, District of Nipissing, Ontario (the "**Real Property**");
11. The Charge was registered against the Real Property as Instrument Number BS103848 on October 19, 2012;
12. On October 21, 2016, the Applicant issued a demand for payment (the "**Demand for Payment**") in the amount of \$984,028.38, together with all interest thereon and all costs and fees, including legal fees and disbursements, incurred by the Applicant to the date of

payment and also issued a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA ("**BIA Notice**");

13. After issuing its Demand and BIA Notice, the Applicant agreed to allow the Debtor to engage Harris & Partners Inc. (an affiliated company to HPI) to assist the Applicant in running a formalized sale process in respect of the assets of the Debtor;
14. The sale process was undertaken prior to the Applicant seeking the appointment of the Receiver for several reasons, including the fact that the value of the Debtor's assets was not easily determined and therefore it was not clear whether the Debtor would be able to conclude a transaction with or without the Applicant having to seek the appointment of a Receiver;
15. The Debtor undertook a sale process with the assistance of Harris & Partners Inc. and received bids on January 12, 2017;
16. The bids received under the sale process for all the assets of the Debtor were each for less than the amount of the secured indebtedness owing by the Debtor;
17. As a result of the sale process, a bidder has been identified for the purchase of the assets of the Debtor (the "**Proposed Purchaser**");
18. The Proposed Purchaser's offer confirmed that the Proposed Purchaser requires an Approval and Vesting Order to close a transaction with respect to the Debtor's assets;
19. The notice period of the BIA Notice has expired;

20. The Demand and the BIA Notice have not been withdrawn by the Applicant and the Debtor has been unable to repay the indebtedness owing to the Applicant;
21. It is just and convenient in the circumstances and is necessary to protect and ultimately realize on the Applicant's collateral;
22. Without the appointment of the Receiver, a transaction with the Potential Purchaser cannot be concluded;
23. The Debtor filed an assignment in bankruptcy on February 1, 2017;
24. HPI has consented to act as Receiver;
25. Rules 2.03, 3.02, 14.05(2), 38 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, Section 243(1) of the BIA and Section 101 of the CJA; and
26. Such other grounds as counsel may advise and this Honourable Court may deems just.

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

1. the Affidavit of Keith McAlpine sworn on February 1, 2017;
2. Consent of HPI Advisory Inc.; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

February 1, 2017

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7

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

Lawyers for the Applicant, Paisley
Management Inc.

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

PAISLEY MANAGEMENT INC. and
Applicant

NATURSTONE CORPORATION

Respondent

Cv 17-11685-0002 Court File No. ►

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceedings commenced at Toronto

NOTICE OF APPLICATION

Thornton Grout Finnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200
Toronto, Ontario M5K 1K7

Kyla E.M. Mahar (LSUC# 44182G)

Tel: 416-304-0594

Fax: 416-304-1313

Email: kmahar@tgf.ca

Lawyers for the Applicant, Paisley Management Inc.

**EMAIL SERVICE LIST
(AS AT FEBRUARY 1, 2017)**

TO:	<p>THORNTON GROUT FINNIGAN LLP Barristers & Solicitors Suite 3200, TD West Tower 100 Wellington Street West P.O. Box 329, Toronto-Dominion Centre Toronto, ON M5K 1K7</p> <p>Kyla E.M. Mahar Tel: (416) 304-0594 Fax: Email: kmahar@tgf.ca</p> <p>Asim Iqbal Tel: (416) 304-0595/Fax: (416) 304-1313 Email: aiqbal@tgf.ca</p> <p>Lawyers for the Applicant, Paisley Management Inc.</p>
AND TO:	<p>HPI ADVISORY INC. Licensed Insolvency Trustee Harris & Partners Inc. 8920 Woodbine Avenue, Suite 300 Markham, ON L3R 9W9</p> <p>Adam Fisher, CPA, CA, CCIRP Tel: (416) 479-0783 Email: adam@harrisandpartnersinc.com</p> <p>Proposed Receiver and Trustee in Bankruptcy of Naturstone Corporation</p>
AND TO:	<p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Ian Aversa Tel: (416) 865-3082 Fax: (416) 863-1515 Email: iaversa@airdberlis.com</p> <p>Lawyers for HPI Advisory Inc.</p>

AND TO:	MCMILLAN LLP Brookfield Place 181 Bay Street, Suite 4400 Toronto, ON M5J 2T3 Michael Whitcombe Tel: (416) 865-7126 Fax: (416) 863-7048 Email: michael.whitcombe@mcmillan.ca Lawyers for Naturstone Corporation
AND TO:	Gayle Borer 378 Rock Chapel Road RR 2, Dundas, ON L9H 5E2 Tel: (905) 689-7087 Email: gayle@micastone.com

kmahar@tgf.ca; aiqbal@tgf.ca; adam@harrisandpartnersinc.com; iaversa@airdberlis.com;
michael.whitcombe@mcmillan.ca; gayle@micastone.com

TAB 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PAISLEY MANAGEMENT INC.

Applicant

- and -

NATURSTONE CORPORATION

Respondent

**AFFIDAVIT OF KEITH MCALPINE
(Sworn on February 1, 2017)**

I KEITH MCALPINE, of the City of Burlington, in the Province of Ontario, MAKE
OATH AND SAY AS FOLLOWS:

1. I am an officer and director of Paisley Management Inc. (the “**Applicant**”) and, as such, I have knowledge of the matters to which I depose herein. Unless I indicate to the contrary, the facts herein are within my own personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. This affidavit is sworn in support of an application by the Applicant for an order appointing HPI Advisory Inc. (“**HPI**”) as the receiver (in such capacity, the “**Receiver**”) of the property, assets and undertaking of Naturstone Corporation (the “**Debtor**”) pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).

The Debtor and its Business

3. According to the records maintained by the Ontario Ministry of Government Services (the “**Ministry**”), the Debtor was amalgamated pursuant to the laws of the Province of Ontario as corporate number 1814554 on January 1, 2010 and the amalgamating corporations were Naturstone Corporation corporate number 3027462, McLaren’s Bay Mica Stone Quarries Inc. corporate number 897842 and 1113045 Ontario Inc. corporate number 11130145. The registered head office of the Debtor is listed as 5-4104 Fairview Street, Suite 533, Burlington ON L7L 4Y8 (the “**Head Office**”). Attached as **Exhibit “A”** is a copy of the Corporation Profile Report with respect to the Debtor.

4. The Debtor owns a quartz quarry in Northern Ontario, which is currently not operating. The Debtor’s property consists of 120 acres of patented mining claims (owned land) and approximately 140 acres of unpatented mining claims with aggregate permits in place for areas required for quarry operations. In addition to the real property, the Debtor has certain fixed and moveable assets related to the operation of the quarry and certain long term leases and contracts.

5. The Applicant advanced financing to the Debtor from time to time and the Debtor has been unable to repay such advances. As at October 21, 2016, the Debtor was indebted to the Applicant in the amount of \$984,028.38, together with all interest thereon and all costs and fees, including legal fees and disbursements, incurred by the Applicant to the date of payment. Attached as **Exhibit “B”** is a copy of the Applicant’s Demand for Payment dated October 21, 2016 (“**Demand**”) and Notice of Intention to Enforce Security pursuant to Section 244 of the BIA (“**BIA Notice**”) dated October 21, 2016.

Security Held by the Applicant

6. As security for all of the Debtor's obligations to the Applicant, the Debtor granted to the Applicant security over all of its personal property pursuant to, among other things, a General Security Agreement dated October 14, 2011 (the "**2011 GSA**"). Attached as **Exhibit "C"** is a copy of the 2011 GSA.

7. Prior to the amalgamation discussed above, as security for all of its obligations to the Applicant, the predecessor company, 1113045 Ontario Inc., similarly granted to the Applicant security over all of its personal property pursuant to, among other things, a General Security Agreement dated June 30, 2008 (the "**2008 GSA**"). Attached as **Exhibit "D"** is a copy of the 2008 GSA.

8. It is a term of the 2011 GSA and the 2008 GSA that the Applicant may appoint a receiver upon default by the Debtor of any of its obligations to the Applicant.

9. The Applicant made a registration against the Debtor pursuant to the *Personal Property Security Act* (Ontario) (the "**PPSA**") on June 14, 2012 against all classes of collateral, except "consumer goods" (the "**Applicant Registration**"). Attached as **Exhibit "E"** is a copy of a certified PPSA Enquiry Response Certificate from the Ministry with a file currency of January 29, 2017 in respect of the Debtor.

10. There are no PPSA registrations against the Debtor prior to the time of the Applicant Registration. There is one subsequent registration against the Debtor in favour of Gayle Borer, (the "**Other Secured Creditor**"), over all classes of collateral, except "consumer goods" and "motor vehicle included" on July 17, 2012.

11. In addition, as continuing collateral security for payment and satisfaction to the Applicant of all obligations, the Debtor granted a Charge/Mortgage in the principal amount of \$1,000,000 plus interest and fees as described therein (the “**Charge**”) over its real property legally described as PIN 49032-0012 (LT) in Land Registry Office #36, District of Nipissing, Ontario (the “**Real Property**”). Attached as **Exhibit “F”** is a copy of the Charge.

12. The Charge was registered against the Real Property as Instrument Number BS103848 on October 19, 2012. Attached as **Exhibit “G”** is a copy of the Parcel Register for the Real Property as of January 30, 2017. As reflected therein, a charge/mortgage registered on title subsequent to the Charge was granted by the Debtor in favour of the Other Secured Creditor.

Attempts to Sell the Debtor’s Assets

13. For the past several years, the Debtor has been looking for opportunities to either partner with another entity in order to restart the quarry or to sell the quarry as a going concern with a view to repaying its creditors and other stakeholders. During this time, the Applicant informally agreed to forbear from exercising its rights to allow the Debtor the opportunity to canvas the market. The Debtor was unable to conclude such a transaction.

14. As a result, the Applicant issued its Demand and BIA Notice to the Debtor on October 21, 2016. The Applicant has not withdrawn its Demand and BIA Notice and the Debtor has not been able to repay the Applicant.

15. After issuing its Demand and BIA Notice, the Applicant informally agreed to forbear while the Debtor engaged Harris & Partners Inc. (an affiliated company to HPI) to assist the Applicant in running a formalized sale process in respect of the assets of the Debtor. The sale process was undertaken prior to the Applicant seeking the appointment of the Receiver for

several reasons, including the fact that the value of the Debtor's assets was not easily determined and therefore it was not clear whether the Debtor would be able to conclude a transaction with or without the Applicant having to seek the appointment of a Receiver.

16. The Debtor undertook a sale process with the assistance of Harris & Partners Inc. and received bids on January 12, 2017. The Debtor kept the Applicant apprised throughout the sale process. As a result of the sale process, a bidder has been identified for the purchase of the assets of the Debtor (the "**Proposed Purchaser**"). The bids received under the sale process for all the assets of the Debtor were each for less than the amount of the secured indebtedness owing by the Debtor.

17. As a result of the outcome of the sale process, the Debtor has cooperated with the Applicant to transition to a Court-appointed Receivership to allow for a transaction to be finalized since the results of the sale process confirmed that the Debtor is insolvent. In addition, I have been advised by David Greenway, CEO and director of the Debtor, and verily believe that the Debtor filed an assignment in bankruptcy on February 1, 2017.

Need for the Appointment of the Receiver

18. The Applicant requests that the Receiver be appointed, as it is just and convenient in the circumstances and is necessary to protect and ultimately realize on the Applicant's collateral.

19. As set out above, the Applicant has issued its Demand and BIA Notice and the Debtor has not repaid the amounts owing to the Applicant.

20. In order to finalize an asset purchase agreement with the Proposed Purchaser and complete a transaction with respect to the Debtor's assets, the Applicant is seeking the

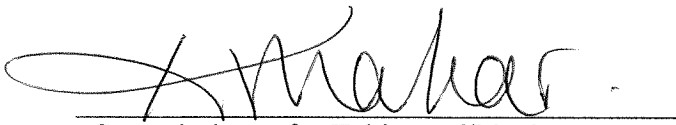
appointment of HPI as Receiver. The Proposed Purchaser's offer confirmed that the Proposed Purchaser requires an Approval and Vesting Order to close a transaction with respect to the Debtor's assets and I understand that this cannot be obtained without a Court proceeding being commenced.

21. It is expected that once appointed, the Receiver will negotiate an asset purchase agreement with the Proposed Purchaser and then bring a motion to the Court seeking an Approval and Vesting Order to effect the transaction. I understand from Adam Fisher, President of HPI, that the Receiver will provide the Court with details of the sale process in its report to the Court in support of the relief sought at that time.

22. The proposed Order appointing the Receiver permits the Receiver to borrow funds from the Applicant for the purpose of financing the receivership proceeding. If necessary, these borrowings will be secured by Receiver's certificates to be issued by the Receiver or by the security held by the Applicant upon the Debtor's assets.

23. I swear this affidavit in support of an application by the Applicant for the appointment of the Receiver and for no other or improper purpose.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 1st day of
February, 2017.


Commissioner for Taking Affidavits


KEITH MCALPINE

EXHIBIT “A”

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
Time Report Produced: 15:03:09
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.



Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1814554	NATURSTONE CORPORATION	2010/01/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
4305 FAIRVIEW STREET	NOT APPLICABLE	A
Suite # 533 BURLINGTON ONTARIO CANADA L7L 6E8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
4305 FAIRVIEW STREET		NOT APPLICABLE
Suite # 533 BURLINGTON ONTARIO CANADA L7L 6E8	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
Time Report Produced: 15:03:09
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1814554

Corporation Name

NATURSTONE CORPORATION

Corporate Name History

NATURSTONE CORPORATION

Effective Date

2010/01/01

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

NATURSTONE CORPORATION

MCLAREN'S BAY MICA STONE QARRIES INC.

1113045 ONTARIO INC.

Corporate Number

3027462

897842

1113045

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1814554

Corporation Name

NATURSTONE CORPORATION

Administrator:
Name (Individual / Corporation)

DAVID
JOHN
GREENWAY

Address

182 7TH CONCESSION EAST

MILLGROVE
ONTARIO
CANADA L0R 1V0

Date Began

2014/04/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF EXECUTIVE OFFICER

Resident Canadian

Administrator:
Name (Individual / Corporation)

DAVID
JOHN
GREENWAY

Address

182 7TH CONCESSION EAST

MILLGROVE
ONTARIO
CANADA L0R 1V0

Date Began

2014/04/10

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
Time Report Produced: 15:03:09
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1814554

Corporation Name

NATURSTONE CORPORATION

Administrator:
Name (Individual / Corporation)

JOHN
LEMONIS

Address

2 MIKRAS ASIAS STR

ANAVISSOS ATIKI
GREECE 19013

Date Began

2014/04/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIR

Resident Canadian

Administrator:
Name (Individual / Corporation)

JOHN
LEMONIS

Address

2 MIKRAS ASIAS STR

ANAVISSOS ATIKI
GREECE 19013

Date Began

2014/04/10

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

N

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1814554

Corporation Name

NATURSTONE CORPORATION

Administrator:
Name (Individual / Corporation)

RAKESH
SHARMA

Address

605 PRESTIGE ACROPOLIS DELPHI-2
20 HOSUR ROAD
BANGALORE KARNATAKA
INDIA 560029

Date Began

2012/12/28

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

N

Administrator:
Name (Individual / Corporation)

RAKESH
SHARMA

Address

605 PRESTIGE ACROPOLIS DELPHI-2
20 HOSUR ROAD
BANGALORE KARNATAKA
INDIA 560029

Date Began

2012/12/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

N

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

1814554

Corporation Name

NATURSTONE CORPORATION

Administrator:
Name (Individual / Corporation)

RAKESH

SHARMA

Address

PRESTIGE ACROPOLIS DELPHI-2
20-HOSUR ROAD
Suite # 605
BANGALORE
INDIA 560029

Date Began

2012/12/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIRMAN

Resident Canadian

Request ID: 019859555
Transaction ID: 63429346
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/30
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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1814554

NATURSTONE CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2013	1C	2015/05/16 (ELECTRONIC FILING)

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

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

EXHIBIT “B”

October 21, 2016

VIA REGISTERED MAIL

Naturstone Corporation
4305 Fairview Street, Suite #533
Burlington, ON L7L 6E8

Attention: David John Greenway

Dear Sir:

Re: Indebtedness of Naturstone Corporation (the "Company") to Paisley Management Inc.

We are the lawyers for Paisley Management Inc. ("PMI") in the above-captioned matter.

We refer to the financing extended by PMI to the Company from time to time. The Company is indebted to PMI in the amount of CDN\$984,028.38 with respect to such financing as at October 21, 2016 (the "**Indebtedness**"). The Company is in default of its obligations to PMI and the Indebtedness is immediately due and payable.

On behalf of PMI, we hereby demand payment from you of the sum of CDN\$984,028.38 in respect of the Indebtedness, together with interest thereon and all costs, including all legal, consultant and other agent fees and disbursements, incurred by PMI to the date of payment. Interest and costs will continue to be incurred by PMI, for which you will be responsible, until payment of all the Indebtedness is received by PMI. Interest on the Indebtedness accrues as at the *per diem* rate of \$269.60.

In the event that you fail to pay the sum indicated by **5:00 p.m. on Monday, October 31, 2016**, PMI shall pursue its remedies against you.

We also enclose at this time a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* (Canada) together with a Consent thereto. If you consent to PMI enforcing its rights and remedies without further delay, please date and execute one copy of the Consent and return same to the undersigned via facsimile forthwith.

Yours very truly,
Thornton Grout Finnigan LLP


Asim Iqbal

Encl.

**NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO SECTION 244 OF THE
BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: NATURSTONE CORPORATION (the "Borrower")

Take notice that:

1. Paisley Management Inc. (the "PMI"), a secured creditor, intends to enforce its security on the property of the Borrower described below:

(a) all present and after-acquired assets, property and undertaking of the Borrower, wherever located, including but not limited to the real property or properties located in the District of Nipissing designated for the purposes of Land Registry Office #36 as PIN 49032-0012 (LT) (the "**Property**"); and

(b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

(a) Charge/Mortgage in the principal amount of CDN\$1,000,000.00 registered on title to the Property on October 19, 2012 as Instrument No. BS108348;

(b) General Security Agreement executed by the Borrower in favour of PMI on October 14, 2011; and

(c) General Security Agreement executed by 1113045 Ontario Inc., a predecessor to the Borrower, in favour of PMI on June 30, 2008

(collectively, the "**Security**").

3. The total amount of the indebtedness secured by the Security, as of October 21, 2016, is \$984,028.38 (the "**Indebtedness**"), plus interest accruing thereafter and costs incurred by PMI.

4. PMI will not have the right to enforce the Security until the expiry of the 10-day period after this notice is sent, unless the Borrower consents to an earlier enforcement.

Dated at Toronto this 21st day of October, 2016.

PAISLEY MANAGEMENT INC.



Per: Asim Iqbal
(File No. 1783-001)

THORNTON GROUT FINNIGAN LLP
100 Wellington St. West, Suite 32000
TD West Tower
Toronto-Dominion Centre
Toronto, ON M5K 1K7

CONSENT

TO: PAISLEY MANAGEMENT INC. ("PMI")

FROM: NATURSTONE CORPORATION (the "Borrower")

The Borrower acknowledges receipt of a Notice of Intention to Enforce Security delivered by PMI.

For consideration received, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Borrower hereby consents to the immediate enforcement by PMI of the security held by it from the Borrower, and for the same consideration waives completely all rights to any delay by or any further notice from PMI with respect to the enforcement of PMI's security and the exercise of the other remedies of PMI against the Borrower.

DATED at _____ this _____ day of _____, 2016.

NATURSTONE CORPORATION

Per: _____
Name:
Title:

I have the authority to bind the corporation.

EXHIBIT “C”

GENERAL SECURITY AGREEMENT

TO: **PAISLEY MANAGEMENT INC.** a company
incorporated under the laws of the Province of
Ontario, having its registered Head Office located at
4112 Stonebridge Crescent, Burlington, Ontario,
L7M 4N3

(hereinafter called the "Secured Party")

GRANTED BY:

NATURSTONE CORPORATION, a company
incorporated pursuant to the laws of the Province of
Ontario, having its registered Head Office located at
182 7th Concession East, Millgrove, Ontario, L0R
1V0

(hereinafter called the "Debtor")

1. Grant of Security Interest

As a general continuing security for the payment and performance of all obligations, indebtedness and liabilities of the Debtor to the Secured Party (collectively, referred to herein as the "Obligations"), whether incurred prior to, at the time of or subsequent to the execution of this agreement, including extensions or renewals, and all other present and future obligations and liabilities of the Debtor to the Secured Party, direct or indirect, wherever and however incurred, and any ultimate unpaid balance thereof, including, without limitation, the obligations and liabilities of the Debtor under any contract of guarantee now or hereafter in existence under which the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Secured Party, the Debtor assigns, sets over and grants to the Secured Party a continuing security interest in the Debtor's property, assets and undertaking hereinafter described.

2. Description of Charged Property

The following undertaking and property of the Debtor shall be subject to the assignment, mortgage, charge and security interest in favour of the Secured Party created by this security agreement:

(a) Accounts

All debts, accounts, claims, moneys and choses in action, which now are, or which may at any time hereafter be due or owing to or owned by the Debtor and also all securities, mortgages, bills, notes and other documents now held, or which hereafter may be taken, held or owned by or on behalf of the Debtor, in respect of the said debts, accounts, claims, moneys and choses in action, or any part thereof, and also all books, documents and papers recording, evidencing or relating to the said debts, accounts, claims, moneys and choses in action, or any part thereof, all of which are hereinafter called the "Accounts Receivable";

(b) Inventory

~~All goods or chattels now or hereafter forming the inventory of the Debtor,~~ including, without limitation, all goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, all of which are hereinafter called the "Inventory";

(c) Equipment

All tools, machinery, equipment, furniture, chattels, fixtures and other tangible personal property now owned or hereafter acquired by the Debtor which are not included in sub-paragraphs (a) and (b) above including, without limiting the generality of the foregoing, all trucks, tractors, trailers and other motor vehicles now owned or hereinafter acquired by the Debtor, all of which are hereinafter called the "Equipment";

(d) Intangibles

All intangible property now owned or hereafter acquired by the Debtor and which are not included in sub-paragraph (a) above, including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights, other intellectual property and the undertaking of the Debtor, all of which are hereinafter called "Intangibles";

(e) Leaseholds, Real and Immovable Property

All real and immovable property, both freehold and leasehold, now owned or hereafter acquired by the Debtor, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written, or any agreement therefor, all of which are hereinafter called "Leaseholds, Real and Immovable Property"; provided, however, the last day of any such lease is excepted out of the property charged by this security agreement, but the Debtor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Secured Party may direct;

(f) Money

All present and future money of the Debtor, whether authorized or adopted by the Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are hereinafter called "Money";

(g) Undertaking

All present and future personal property, including the undertaking of the Debtor, not being Accounts Receivable, Inventory, Equipment, Intangibles, Leaseholds, Real and Immovable Property or Money; and

(h) Proceeds

All property in any form derived directly or indirectly from any dealing with the property described in sub-paragraphs (a), (b), (c), (d), (e), (f) and (g) above and proceeds, including Accounts Receivable and/or other property, including insurance proceeds, that indemnifies or compensates for such property where such property is lost, stolen, destroyed or damaged (hereinafter called the "Proceeds").

All of the above-mentioned undertaking and property, including the Proceeds, is hereinafter collectively called the "Charged Property".

2.1 Without limiting the generality of the description of the Charged Property as set out above, for greater certainty, the Charged Property shall include all present and future personal property of the Debtor located on or about or in transit to or from the address of the Debtor set out on the first page of this security agreement (or such other address(es) as may be used from time to time by the Debtor). The Debtor agrees to promptly inform the Secured Party in writing of any personal property which is not of the nature or type described herein, and the Debtor agrees to execute and deliver, at its own expense, from time to time, amendments to this security agreement or additional security agreements as may be reasonably required by the Secured Party in order that the security interest created by this security agreement shall attach to such personal property.

3. Attachment of Security Interest

The security interest created by this security agreement shall attach to the Charged Property when the Debtor has rights in the Charged Property and thereafter shall constitute a fixed and specific charge on the Charged Property. Any of the Charged Property not subject to a fixed and specific charge shall be subject to floating charge.

4. General Warranties and Covenants of the Debtor

The Debtor hereby warrants and covenants with the Secured Party that it:

- (a) has not created any encumbrances and shall maintain the Charged Property free and clear of all encumbrances;
- (b) shall keep the Charged Property and cause the Charged Property to be kept in good condition and repair, and shall deliver from time to time upon request by the Secured Party, detailed lists of any additions, accretions and/or substitutions to the Equipment;
- (c) shall pay all rents, taxes and assessments lawfully imposed upon the Charged Property, and all parts thereof, when same shall become payable;
- (d) shall observe and perform its obligations under all leases, licenses and other agreements to which it is a party in order to preserve and protect the Charged Property;
- (e) shall permit a representative of the Secured Party at all reasonable times to

inspect the Charged Property and for such purpose, to enter onto the premises leased or owned by the Debtor or any other location where the Charged Property, or any part thereof, may be situate;

- (f) shall notify the Secured Party in writing forthwith of any material adverse change in its financial affairs; and
- (g) shall pay all costs and expenses (including legal fees on a solicitor and his own client basis) of the Secured Party incurred with respect to the taking, recovering or possessing the Charged Property in any proceedings taken for the purpose of enforcing the remedies provided herein or otherwise in relation to the Charged Property, or by reason of non-payment of any Obligations hereby secured and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand.

5. Restrictions on Sale or Disposal of Charged Property

- (a) The Debtor shall not, without the prior written consent of the Secured Party:
 - (i) sell, lease or otherwise dispose of the Charged Property or any part thereof except in the ordinary course of its business;
 - (ii) release, surrender or abandon possession of the Charged Property or any part thereof; or
 - (iii) permanently move or transfer the Charged Property or any part thereof out of the Province of Ontario.
- (b) The Secured Party, at its discretion, at any time and from time to time, may release from the charge contained herein any part or parts of the Charged Property or any other security or surety for the Obligations, either with or without sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Charged Property from the charge created by this security agreement or from any of the covenants herein contained. Every part of the Charged Property into which the Charged Property is or may hereafter be divided does and shall stand charged to secure payment of the Obligations and no party shall have the right to require the Obligations to be apportioned. The Secured Party shall not be accountable to the Debtor for the value of any property or security so released except to the extent that moneys are actually received by the Secured Party.

6. Prohibition Against Competing Charges

The Debtor shall not, without the prior written consent of the Secured Party, create, permit, assume, have outstanding or suffer to exist, any security interest, mortgage, charge or other encumbrance charging the Charged Property, or any part thereof, ranking or purporting to rank prior to or pari passu with the charge created by this security agreement, subject to PPSA Registration No. 20070410 1013 1530 9537 in favour of Royal Bank of Canada.

7. Failure to Perform Covenants

~~If the Debtor shall fail to perform any covenant on its part herein contained, the Secured~~
Party may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by the Debtor. If any such covenant requires the payment of money or if the Charged Property shall become subject to any encumbrance, lien or charge ranking in whole or in part in priority to or pari passu with the charge created by this security agreement, the Secured Party may make such payment or pay or discharge the said encumbrance, lien or charge, but shall be under no obligation to do so. An amount equal to all sums so paid by the Secured Party shall immediately be payable by the Debtor to the Secured Party, shall bear interest at the highest rate borne by any of the Obligations until paid, and shall be secured by this security agreement. No such performance or payment shall relieve the Debtor from any default under this security agreement or any consequences of such default.

8. Insurance

- (a) The Debtor shall insure and keep insured the Charged Property against loss or damage by fire (including so-called extended coverage) and other usual perils, including theft, to the amount of not less than the full insurable value of the Charged Property in lawful money of Canada with insurance companies authorized to do business in Canada.
- (b) Subject to *PPSA* Registration No. 20070410 1013 1530 9537 in favour of Royal Bank of Canada, the loss under all policies of insurance, other than public liability, shall be made payable to the Secured Party and the Debtor shall arrange to have the entitlement of the Secured Party to the loss payable recorded on each policy of insurance insuring the Charged Property, and all parts thereof. In any event, the production of this security agreement shall be sufficient authority for, and the insurer is hereby directed thereupon, to pay the proceeds payable under such insurance policies to the Secured Party. Certified copies of all policies of insurance, including renewals, shall be delivered to the Secured Party upon request and the Debtor shall pay all premiums as the same become payable in respect of such insurance. All insurance policies will include a provision that before such policies can be amended or terminated, the Secured Party shall be given no less than thirty (30) days written notice.
- (c) In the event of loss, the Secured Party, at its option, may apply the insurance proceeds received by it against the balance owing by the Debtor, release the said proceeds to the Debtor, or arrange for the said proceeds, or any part thereof, to be used to repair, replace or rebuild the damaged property, or any combination of such applications. Where insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing or rebuilding the damaged property, the receipt of the insurance proceeds shall not operate as a payment or novation or in any way affect the security herein or any other security held to secure the Obligations.

9. Events of Default

The security hereby constituted shall become enforceable in each and every of the following events:

- (a) if the Debtor makes default in payment or discharge of any of the Obligations;
- (b) if the Debtor makes default in any payment referred to in this security agreement or in performing or complying with any covenant, condition or obligation contained in this security agreement or if any of the warranties contained herein are, or shall become, untrue;
- (c) if the Debtor is insolvent or if any order shall be made or a resolution passed for the winding-up of the Debtor or if a petition shall be filed under the Bankruptcy and Insolvency Act by or against the Debtor or an authorized assignment is made by the Debtor or a receiver, manager, receiver-manager or agent is appointed under the Bankruptcy and Insolvency Act by or on behalf of a secured creditor of the Debtor or an application or proposal is made by the Debtor to its creditors under the Bankruptcy and Insolvency Act;
- (d) if an encumbrancer, whether permitted or otherwise, shall take possession of the Charged Property, or any part of the Charged Property, or if any process of a Court, execution or distress becomes enforceable or is enforced against all or any part of the Charged Property; or
- (e) if the Debtor ceases, or threatens to cease, to carry on its business or if the Debtor commits any other act of bankruptcy; or
- (f) if the Secured Party has reasonable grounds to believe that the prospect of receiving payment with respect to any of the Obligations is or is about to be placed in jeopardy.

10. Enforcement

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Secured Party shall have the following rights and powers:

- (a) to take possession of all or any part of the Charged Property with power to exclude the Debtor, its agents, employees and servants therefrom;
- (b) to preserve and maintain the Charged Property and make such replacements thereof and additions thereto as it shall deem advisable;
- (c) to sell, lease or dispose of the Charged Property, whether by public or private sale or lease or otherwise, in such manner and on such terms as to the Secured Party may seem commercially reasonable, provided always that it shall not be incumbent on the Secured Party to sell, lease or dispose of the said property but that it shall be lawful for the Secured Party to take, hold, use, occupy, possess and enjoy the Charged Property without molestation, eviction, hindrance or interruption of the Debtor, or any other party or parties whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Charged Property; and

- (d) to appoint by instrument any person to be a receiver, manager, receiver-manager, or agent (hereinafter, any one of which is called the "Receiver") of the Charged Property and to remove any Receiver so appointed and appoint another in his, her or its stead.

11. Powers of Receiver

Any Receiver appointed pursuant to the provisions of this security agreement shall have all powers of the Secured Party hereunder and in addition shall have the following powers:

- a) to carry on the business of the Debtor;
- (b) to borrow money in the name of the Receiver or in the name of the Debtor for the purpose of carrying on the business of the Debtor or for the preservation and realization of the Charged Property, including, without limitation, the right to make payments to parties having prior charges or encumbrances on any part of the Charged Property; and
- (c) to commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Charged Property.

12. Additional Powers Upon Default

In addition to the rights and powers provided above, the Secured Party shall have the following rights and powers if the security hereby constituted becomes enforceable:

- (a) the Secured Party shall have all the rights and remedies of a secured party under the Personal Property Security Act (Ontario), as such Act may be amended from time to time;
- (b) the Secured Party may dispose of any of the Charged Property in the same condition as it was at the time it was repossessed, or after the making of any commercially reasonable repairs, processing or preparation for disposition;
- (c) if the Secured Party believes, on reasonable grounds, that any part of the Charged Property will decline speedily in value, the Secured Party may sell or otherwise dispose of any part of the Charged Property without giving any notice whatsoever;
- (d) at its option, upon notice given in the manner required by the Personal Property Security Act (Ontario), as such Act may be amended from time to time, the Secured Party may elect to retain all or any part of the Charged Property in satisfaction of the Obligations, provided such right to retain all or any part of the Charged Property complies with the provisions of the Personal Property Security Act (Ontario), as such Act may be amended from time to time; and
- (e) the Secured Party may demand, signify, sue for and receive any Accounts Receivable, give effectual receipts and discharges therefor, compromise any Accounts Receivable which may seem bad or doubtful to the Secured Party and give time for payment thereof, with or without security.

13. General Provisions

13.1 Any amount borrowed by the Secured Party pursuant to the powers set out in this security agreement and any interest thereon shall constitute a charge upon the Charged Property in priority to the charges otherwise created by this security agreement and any encumbrance subsequent thereto.

13.2 The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Charged Property or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of same for the purpose of preserving any rights of the Secured Party, the Debtor or any other party in respect of the same.

13.3 The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Charged Property and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Charged Property and other securities as the Secured Party may see fit without prejudice to the Obligations or the Secured Party's right to hold and realize upon the Charged Property.

14. Proceeds Held in Trust

At any time after the happening of any event by which the security hereby constituted becomes enforceable, all moneys collected or received by the Debtor shall be deemed to have been received in trust for the Secured Party and following written demand therefor, shall be forthwith paid to the Secured Party.

15. Application of Proceeds of Disposition of Charged Property

All moneys received pursuant to paragraphs 10, 11, 12, 13 and 14 of this security agreement shall be applied as follows:

- (a) First, in payment of all expenses and legal costs of and incidental to the exercise by the Secured Party of all or any of the remedies or other powers granted to it under this security agreement, including reasonable remuneration of any agent or employee of the Secured Party and all disbursements properly paid by the Secured Party in exercising its remedies or other powers as aforesaid;
- (b) Second, in payment of the Obligations. In this regard, moneys may be applied by the Secured Party in such manner as the Secured Party, in its sole discretion, may determine;
- (c) Third, any surplus shall be distributed in accordance with the requirements of the Personal Property Security Act (Ontario), as such Act may be amended from time to time.

16. Waiver by the Secured Party

Any breach by the Debtor of any of the provisions contained in this security agreement or any default by the Debtor in the observance or performance of any covenant or condition required

to be observed or performed by the Debtor hereunder, may only be waived by the Secured Party in writing. No such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default.

17. Restriction on Debtor

Upon the Secured Party taking possession of all or any of the Charged Property, all the powers, functions, rights and privileges of the Debtor or any servant or agent of the Debtor with respect to such part of the Charged Property, shall be suspended.

18. Secured Party Appointed Attorney

The Debtor hereby irrevocably appoints the Secured Party to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Secured Party.

19. Further Assurances

The Debtor shall execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Charged Property or any other property intended to be charged hereby, or which the Debtor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intentions of this security agreement.

20. Rights Cumulative

All rights and remedies of the Secured Party prescribed in this security agreement shall be cumulative and no remedy contained herein is intended to be exclusive but shall be in addition to every other remedy contained herein or in any other security documents or existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this security agreement.

21. Security Additional and Continuing

The security hereby constituted is in addition to and not in substitution for any other security now or hereafter held by the Secured Party, and this security shall not merge in any other security now or hereafter held by the Secured Party. The security shall be deemed to be a continuing security for the Obligations until all the indebtedness owing to the Secured Party by the Debtor is paid in full.

22. Applicable Law

This security agreement shall be governed by, enforced and interpreted in accordance with the laws of the Province of Ontario. Any provision hereof prohibited by such laws shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

23. Notice

~~Any demand or notice to the Debtor in connection with this security agreement shall be deemed to be made or given if either:~~

- (a) mailed by prepaid registered post addressed to the Debtor at its last known address, in which case, it shall be conclusively deemed to have been received by the Debtor on the fifth (5th) day following the date of such mailing, or
- (b) personally served upon the Debtor or upon any employee or agent of the Debtor, in which case, it shall be deemed to have been made and given at the time of such service.

In the event of an interruption or threatened interruption of normal postal service, all notices and demands must be made or given by personal service only.

24. Binding Effect

This security agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding upon the Debtor, its successors and assigns.

25. Acknowledgement

The Debtor acknowledges having received an executed copy of this Security Agreement.

14th day of October, 2011. **IN WITNESS WHEREOF** the Debtor has executed this Security Agreement this

NATURSTONE CORPORATION

Per 

David J. Greenway- CEO

I have authority to bind the Corporation

EXHIBIT “D”

GENERAL SECURITY AGREEMENT

TO:

PAISLEY MANAGEMENT INC. a company incorporated under the laws of the Province of Ontario, having its registered Head Office located at 4112 Stonebridge Crescent, Burlington, Ontario, L7M 4N3

(hereinafter called the "Secured Party")

GRANTED BY:

1113045 ONTARIO INC., a company incorporated pursuant to the laws of the Province of Ontario, having its registered Head Office located at 378 Rock Chapel Road, R.R. #2, Dundas, Ontario, L9H 5E2

(hereinafter called the "Debtor")

1. Grant of Security Interest

As a general continuing security for the payment and performance of all obligations, indebtedness and liabilities of the Debtor to the Secured Party (collectively, referred to herein as the "Obligations"), whether incurred prior to, at the time of or subsequent to the execution of this agreement, including extensions or renewals, and all other present and future obligations and liabilities of the Debtor to the Secured Party, direct or indirect, wherever and however incurred, and any ultimate unpaid balance thereof, including, without limitation, the obligations and liabilities of the Debtor under any contract of guarantee now or hereafter in existence under which the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Secured Party, the Debtor assigns, sets over and grants to the Secured Party a continuing security interest in the Debtor's property, assets and undertaking hereinafter described.

2. Description of Charged Property

The following undertaking and property of the Debtor shall be subject to the assignment, mortgage, charge and security interest in favour of the Secured Party created by this security agreement:

(a) Accounts

All debts, accounts, claims, moneys and choses in action, which now are, or which may at any time hereafter be due or owing to or owned by the Debtor and also all securities, mortgages, bills, notes and other documents now held, or which hereafter may be taken, held or owned by or on behalf of the Debtor, in respect of the said

debts, accounts, claims, moneys and choses in action, or any part thereof, and also all books, documents and papers recording, evidencing or relating to the said debts, accounts, claims, moneys and choses in action, or any part thereof, all of which are hereinafter called the "Accounts Receivable";

(b) Inventory

All goods or chattels now or hereafter forming the inventory of the Debtor, including, without limitation, all goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, all of which are hereinafter called the "Inventory";

(c) Equipment

All tools, machinery, equipment, furniture, chattels, fixtures and other tangible personal property now owned or hereafter acquired by the Debtor which are not included in sub-paragraphs (a) and (b) above including, without limiting the generality of the foregoing, all trucks, tractors, trailers and other motor vehicles now owned or hereinafter acquired by the Debtor, all of which are hereinafter called the "Equipment";

(d) Intangibles

All intangible property now owned or hereafter acquired by the Debtor and which are not included in sub-paragraph (a) above, including, without limitation, all contractual rights, goodwill, patents, trademarks, trade names, copyrights, other intellectual property and the undertaking of the Debtor, all of which are hereinafter called "Intangibles";

(e) Leaseholds, Real and Immovable Property

All real and immovable property, both freehold and leasehold, now owned or hereafter acquired by the Debtor, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written, or any agreement therefor, all of which are hereinafter called "Leaseholds, Real and Immovable Property"; provided, however, the last day of any such lease is excepted out of the property charged by this security agreement, but the Debtor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Secured Party may direct;

(f) Money

All present and future money of the Debtor, whether authorized or adopted by the

Parliament of Canada as part of its currency or by any foreign government as part of its currency, all of which are hereinafter called "Money";

(g) Undertaking

All present and future personal property, including the undertaking of the Debtor, not being Accounts Receivable, Inventory, Equipment, Intangibles, Leaseholds, Real and Immovable Property or Money; and

(h) Proceeds

All property in any form derived directly or indirectly from any dealing with the property described in sub-paragraphs (a), (b), (c), (d), (e), (f) and (g) above and proceeds, including Accounts Receivable and/or other property, including insurance proceeds, that indemnifies or compensates for such property where such property is lost, stolen, destroyed or damaged (hereinafter called the "Proceeds").

All of the above-mentioned undertaking and property, including the Proceeds, is hereinafter collectively called the "Charged Property".

2.1 Without limiting the generality of the description of the Charged Property as set out above, for greater certainty, the Charged Property shall include all present and future personal property of the Debtor located on or about or in transit to or from the address of the Debtor set out on the first page of this security agreement (or such other address(es) as may be used from time to time by the Debtor). The Debtor agrees to promptly inform the Secured Party in writing of any personal property which is not of the nature or type described herein, and the Debtor agrees to execute and deliver, at its own expense, from time to time, amendments to this security agreement or additional security agreements as may be reasonably required by the Secured Party in order that the security interest created by this security agreement shall attach to such personal property.

3. Attachment of Security Interest

The security interest created by this security agreement shall attach to the Charged Property when the Debtor has rights in the Charged Property and thereafter shall constitute a fixed and specific charge on the Charged Property. Any of the Charged Property not subject to a fixed and specific charge shall be subject to floating charge.

4. General Warranties and Covenants of the Debtor

The Debtor hereby warrants and covenants with the Secured Party that it:

- (a) has not created any encumbrances and shall maintain the Charged Property free and clear of all encumbrances;

- (b) shall keep the Charged Property and cause the Charged Property to be kept in good condition and repair, and shall deliver from time to time upon request by the Secured Party, detailed lists of any additions, accretions and/or substitutions to the Equipment;
- (c) shall pay all rents, taxes and assessments lawfully imposed upon the Charged Property, and all parts thereof, when same shall become payable;
- (d) shall observe and perform its obligations under all leases, licenses and other agreements to which it is a party in order to preserve and protect the Charged Property;
- (e) shall permit a representative of the Secured Party at all reasonable times to inspect the Charged Property and for such purpose, to enter onto the premises leased or owned by the Debtor or any other location where the Charged Property, or any part thereof, may be situate;
- (f) shall notify the Secured Party in writing forthwith of any material adverse change in its financial affairs; and
- (g) shall pay all costs and expenses (including legal fees on a solicitor and his own client basis) of the Secured Party incurred with respect to the taking, recovering or possessing the Charged Property in any proceedings taken for the purpose of enforcing the remedies provided herein or otherwise in relation to the Charged Property, or by reason of non-payment of any Obligations hereby secured and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand.

5.

Restrictions on Sale or Disposal of Charged Property

- (a) The Debtor shall not, without the prior written consent of the Secured Party:
 - (i) sell, lease or otherwise dispose of the Charged Property or any part thereof except in the ordinary course of its business;
 - (ii) release, surrender or abandon possession of the Charged Property or any part thereof; or
 - (iii) permanently move or transfer the Charged Property or any part thereof out of the Province of Ontario.
- (b) The Secured Party, at its discretion, at any time and from time to time, may release from the charge contained herein any part or parts of the Charged

Property or any other security or surety for the Obligations, either with or without sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Charged Property from the charge created by this security agreement or from any of the covenants herein contained. Every part of the Charged Property into which the Charged Property is or may hereafter be divided does and shall stand charged to secure payment of the Obligations and no party shall have the right to require the Obligations to be apportioned. The Secured Party shall not be accountable to the Debtor for the value of any property or security so released except to the extent that moneys are actually received by the Secured Party.

6. Prohibition Against Competing Charges

The Debtor shall not, without the prior written consent of the Secured Party, create, permit, assume, have outstanding or suffer to exist, any security interest, mortgage, charge or other encumbrance charging the Charged Property, or any part thereof, ranking or purporting to rank prior to or pari passu with the charge created by this security agreement, subject to PPSA Registration No. 20070410 1013 1530 9537 in favour of Royal Bank of Canada.

7. Failure to Perform Covenants

If the Debtor shall fail to perform any covenant on its part herein contained, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by the Debtor. If any such covenant requires the payment of money or if the Charged Property shall become subject to any encumbrance, lien or charge ranking in whole or in part in priority to or pari passu with the charge created by this security agreement, the Secured Party may make such payment or pay or discharge the said encumbrance, lien or charge, but shall be under no obligation to do so. An amount equal to all sums so paid by the Secured Party shall immediately be payable by the Debtor to the Secured Party, shall bear interest at the highest rate borne by any of the Obligations until paid, and shall be secured by this security agreement. No such performance or payment shall relieve the Debtor from any default under this security agreement or any consequences of such default.

8. Insurance

(a) The Debtor shall insure and keep insured the Charged Property against loss or damage by fire (including so-called extended coverage) and other usual perils, including theft, to the amount of not less than the full insurable value of the Charged Property in lawful money of Canada with insurance companies authorized to do business in Canada.

(b) Subject to PPSA Registration No. 20070410 1013 1530 9537 in favour of Royal Bank of Canada, the loss under all policies of insurance, other than public

liability, shall be made payable to the Secured Party and the Debtor shall arrange to have the entitlement of the Secured Party to the loss payable recorded on each policy of insurance insuring the Charged Property, and all parts thereof. In any event, the production of this security agreement shall be sufficient authority for, and the insurer is hereby directed thereupon, to pay the proceeds payable under such insurance policies to the Secured Party. Certified copies of all policies of insurance, including renewals, shall be delivered to the Secured Party upon request and the Debtor shall pay all premiums as the same become payable in respect of such insurance. All insurance policies will include a provision that before such policies can be amended or terminated, the Secured Party shall be given no less than thirty (30) days written notice.

(c) In the event of loss, the Secured Party, at its option, may apply the insurance proceeds received by it against the balance owing by the Debtor, release the said proceeds to the Debtor, or arrange for the said proceeds, or any part thereof, to be used to repair, replace or rebuild the damaged property, or any combination of such applications. Where insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing or rebuilding the damaged property, the receipt of the insurance proceeds shall not operate as a payment or novation or in any way affect the security herein or any other security held to secure the Obligations.

9.

Events of Default

The security hereby constituted shall become enforceable in each and every of the following events:

- (a) if the Debtor makes default in payment or discharge of any of the Obligations;
- (b) if the Debtor makes default in any payment referred to in this security agreement or in performing or complying with any covenant, condition or obligation contained in this security agreement or if any of the warranties contained herein are, or shall become, untrue;
- (c) if the Debtor is insolvent or if any order shall be made or a resolution passed for the winding-up of the Debtor or if a petition shall be filed under the Bankruptcy and Insolvency Act by or against the Debtor or an authorized assignment is made by the Debtor or a receiver, manager, receiver-manager or agent is appointed under the Bankruptcy and Insolvency Act by or on behalf of a secured creditor of the Debtor or an application or proposal is made by the Debtor to its creditors under the Bankruptcy and Insolvency Act;
- (d) if an encumbrancer, whether permitted or otherwise, shall take possession of

the Charged Property, or any part of the Charged Property, or if any process of a Court, execution or distress becomes enforceable or is enforced against all or any part of the Charged Property; or

- (e) if the Debtor ceases, or threatens to cease, to carry on its business or if the Debtor commits any other act of bankruptcy; or
- (f) if the Secured Party has reasonable grounds to believe that the prospect of receiving payment with respect to any of the Obligations is or is about to be placed in jeopardy.

10. Enforcement

At any time after the happening of any event by which the security hereby constituted becomes enforceable, the Secured Party shall have the following rights and powers:

- (a) to take possession of all or any part of the Charged Property with power to exclude the Debtor, its agents, employees and servants therefrom;
- (b) to preserve and maintain the Charged Property and make such replacements thereof and additions thereto as it shall deem advisable;
- (c) to sell, lease or dispose of the Charged Property, whether by public or private sale or lease or otherwise, in such manner and on such terms as to the Secured Party may seem commercially reasonable, provided always that it shall not be incumbent on the Secured Party to sell, lease or dispose of the said property but that it shall be lawful for the Secured Party to take, hold, use, occupy, possess and enjoy the Charged Property without molestation, eviction, hindrance or interruption of the Debtor, or any other party or parties whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Charged Property; and
- (d) to appoint by instrument any person to be a receiver, manager, receiver-manager, or agent (hereinafter, any one of which is called the "Receiver") of the Charged Property and to remove any Receiver so appointed and appoint another in his, her or its stead.

11. Powers of Receiver

Any Receiver appointed pursuant to the provisions of this security agreement shall have all powers of the Secured Party hereunder and in addition shall have the following powers:

- (a) to carry on the business of the Debtor;

- (b) to borrow money in the name of the Receiver or in the name of the Debtor for the purpose of carrying on the business of the Debtor or for the preservation and realization of the Charged Property, including, without limitation, the right to make payments to parties having prior charges or encumbrances on any part of the Charged Property; and
- (c) to commence, continue or defend proceedings in the name of the Receiver or in the name of the Debtor for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Charged Property.

12.

Additional Powers Upon Default

In addition to the rights and powers provided above, the Secured Party shall have the following rights and powers if the security hereby constituted becomes enforceable:

- (a) the Secured Party shall have all the rights and remedies of a secured party under the Personal Property Security Act (Ontario), as such Act may be amended from time to time;
- (b) the Secured Party may dispose of any of the Charged Property in the same condition as it was at the time it was repossessed, or after the making of any commercially reasonable repairs, processing or preparation for disposition;
- (c) if the Secured Party believes, on reasonable grounds, that any part of the Charged Property will decline speedily in value, the Secured Party may sell or otherwise dispose of any part of the Charged Property without giving any notice whatsoever;
- (d) at its option, upon notice given in the manner required by the Personal Property Security Act (Ontario), as such Act may be amended from time to time, the Secured Party may elect to retain all or any part of the Charged Property in satisfaction of the Obligations, provided such right to retain all or any part of the Charged Property complies with the provisions of the Personal Property Security Act (Ontario), as such Act may be amended from time to time; and
- (e) the Secured Party may demand, signify, sue for and receive any Accounts Receivable, give effectual receipts and discharges therefor, compromise any Accounts Receivable which may seem bad or doubtful to the Secured Party and give time for payment thereof, with or without security.

13. General Provisions

13.1 Any amount borrowed by the Secured Party pursuant to the powers set out in this security agreement and any interest thereon shall constitute a charge upon the Charged Property in priority to the charges otherwise created by this security agreement and any encumbrance subsequent thereto.

13.2 The Secured Party shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Charged Property or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of same for the purpose of preserving any rights of the Secured Party, the Debtor or any other party in respect of the same.

13.3 The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Charged Property and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Charged Property and other securities as the Secured Party may see fit without prejudice to the Obligations or the Secured Party's right to hold and realize upon the Charged Property.

14. Proceeds Held in Trust

At any time after the happening of any event by which the security hereby constituted becomes enforceable, all moneys collected or received by the Debtor shall be deemed to have been received in trust for the Secured Party and following written demand therefor, shall be forthwith paid to the Secured Party.

15. Application of Proceeds of Disposition of Charged Property

All moneys received pursuant to paragraphs 10, 11, 12, 13 and 14 of this security agreement shall be applied as follows:

- (a) First, in payment of all expenses and legal costs of and incidental to the exercise by the Secured Party of all or any of the remedies or other powers granted to it under this security agreement, including reasonable remuneration of any agent or employee of the Secured Party and all disbursements properly paid by the Secured Party in exercising its remedies or other powers as aforesaid;
- (b) Second, in payment of the Obligations. In this regard, moneys may be applied by the Secured Party in such manner as the Secured Party, in its sole discretion, may determine;
- (c) Third, any surplus shall be distributed in accordance with the requirements of the Personal Property Security Act (Ontario), as such Act may be amended from time to time.

16. Waiver by the Secured Party

Any breach by the Debtor of any of the provisions contained in this security agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Secured Party in writing. No such waiver by the Secured Party shall extend to or be taken in any manner to affect any subsequent breach or default.

17. Restriction on Debtor

Upon the Secured Party taking possession of all or any of the Charged Property, all the powers, functions, rights and privileges of the Debtor or any servant or agent of the Debtor with respect to such part of the Charged Property, shall be suspended.

18. Secured Party Appointed Attorney

The Debtor hereby irrevocably appoints the Secured Party to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Secured Party.

19. Further Assurances

The Debtor shall execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party shall reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Charged Property or any other property intended to be charged hereby, or which the Debtor may hereafter become bound to charge in favour of the Secured Party, for the purpose of accomplishing and effecting the intentions of this security agreement.

20. Rights Cumulative

All rights and remedies of the Secured Party prescribed in this security agreement shall be cumulative and no remedy contained herein is intended to be exclusive but shall be in addition to every other remedy contained herein or in any other security documents or existing at law or in equity or by statute. The taking of a judgment or judgments with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this security agreement.

21. Security Additional and Continuing

The security hereby constituted is in addition to and not in substitution for any other security now or hereafter held by the Secured Party, and this security shall not merge in any other security now or hereafter held by the Secured Party. The security shall be deemed to be a continuing

security for the Obligations until all the indebtedness owing to the Secured Party by the Debtor is paid in full.

22. Applicable Law

This security agreement shall be governed by, enforced and interpreted in accordance with the laws of the Province of Ontario. Any provision hereof prohibited by such laws shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

23. Notice

Any demand or notice to the Debtor in connection with this security agreement shall be deemed to be made or given if either:

- (a) mailed by prepaid registered post addressed to the Debtor at its last known address, in which case, it shall be conclusively deemed to have been received by the Debtor on the fifth (5th) day following the date of such mailing, or
- (b) personally served upon the Debtor or upon any employee or agent of the Debtor, in which case, it shall be deemed to have been made and given at the time of such service.

In the event of an interruption or threatened interruption of normal postal service, all notices and demands must be made or given by personal service only.

24. Binding Effect

This security agreement and all its provisions shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding upon the Debtor, its successors and assigns.

25. Acknowledgement

The Debtor acknowledges having received an executed copy of this Security Agreement.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement this 30th day of June, 2008.

1113045 ONTARIO INC.

Per: Gayle Borer
Gayle Borer - President

Per: Michael Borer
Michael Borer - Treasurer
We have authority to bind the Corporation

EXHIBIT “E”

RUN NUMBER : 030
RUN DATE : 2017/01/30
ID : 20170130150422.93

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

REPORT : PSSR060
PAGE : 1
(3006)

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

TYPE OF SEARCH : BUSINESS DEBTOR

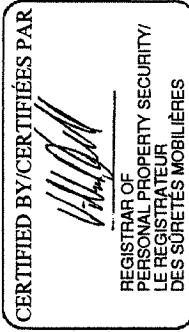
SEARCH CONDUCTED ON : NATURSTONE CORPORATION

FILE CURRENCY : 29JAN 2017

ENQUIRY NUMBER 20170130150422.93 CONTAINS 4 PAGE(S), 2 FAMILY(IES).

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

THORNTON GROUT FINNIGAN LLP - ROXANA MANEA
3200-100 WELLINGTON STREET WEST,
TORONTO ON M5K 1K7



CONTINUED...

2



RUN NUMBER : 030
RUN DATE : 2017/01/30
ID : 20170130150422.93

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

REPORT : PSSR060
PAGE : 2
(3007)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NATURSTONE CORPORATION
FILE CURRENCY : 29JAN 2017

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
679982022

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20120717 0926 1590 4537 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME NATURSTONE CORPORATION
04 ADDRESS 182 7TH CONCESSION EAST MILLGROVE ONTARIO CORPORATION NO. LOR 1V0

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

08 SECURED PARTY / GAYLE BORER
09 LIEN CLAIMANT 378 ROCK CHAPEL ROAD, RR#2 DUNDAS ON L9H 5E2

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

11 YEAR MAKE MODEL V.I.N.

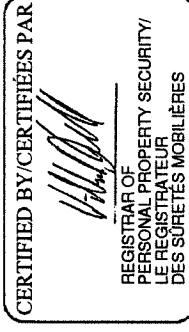
12 MOTOR VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING MCMILLAN LLP (MPW/SW/90455)
17 ADDRESS 181 BAY ST, SUITE 4400, BROOKFIELD PLACE TORONTO ON M5J 2T3

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

CONTINUED ... 3



RUN NUMBER : 030
RUN DATE : 2017/01/30
ID : 20170130150422.93

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

REPORT : PSSR060
PAGE : 3
(3008)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NATURSTONE CORPORATION
FILE CURRENCY : 29JAN 2017

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
679175514

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 001 20120614 1020 1862 1121 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME NATURSTONE CORPORATION
04 ADDRESS 182 7TH CONCESSION EAST MILLGROVE ONT L0R 1V0
ONTARIO CORPORATION NO.

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

08 SECURED PARTY / PAISLEY MANAGEMENT INC.
09 LIEN CLAIMANT ADDRESS 4112 STONEBRIDGE CRESCENT BURLINGTON ONT L7M 4N3

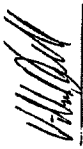
10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X X

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING
17 AGENT
ROSS & MCBRIDE LLP (SBH-DVDW)
ADDRESS 1 KING STREET WEST, 10TH FLOOR HAMILTON ON L8P 1A4

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

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crt/1s 09/2013)



RUN NUMBER : 030
RUN DATE : 2017/01/30
ID : 20170130150422.93

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

REPORT : PSSR060
PAGE : 4
(3009)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : NATURSTONE CORPORATION
FILE CURRENCY : 29JAN 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
679982022	20120717 0926 1590 4537		
679175514	20120614 1020 1862 1121		

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

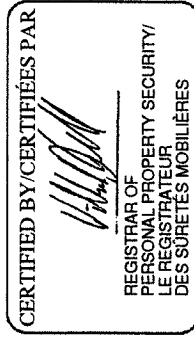


EXHIBIT “F”

Properties

PIN 49032 - 0012 LT **Interest/Estate** Fee Simple
Description PCL 28602 SEC NIP; PT MINING CLAIM T54703 MCAUSLAN; PT MINING CLAIM
T54482 MCAUSLAN; PT MINING CLAIM T54648 MCAUSLAN PT 1, 2, 4, 5, 7 & 8
36R8747 EXCEPTING THEREOUT AND THEREFROM THE SRO ON AND OVER THOSE
PARTS OF SAID TWP, CONTAINING BY ADMEASUREMENT 1.660 HECTARES, BE THE
SAME MORE OR LESS, DESIGNATED AS PT 2 & 5 36R8747 BEING A 20.117 METRE
WIDE STRIP OF LAND ALONG SHORE OF REYNOLDS LAKE; ALSO EXCEPTING
THEREOUT AND THEREFROM THE SRO ON AND OVER THAT PART OF THE SAID
TWP,
CONTAINING BY ADMEASUREMENT 0.449 HECTARES, BE THE SAME MORE OR
LESS,
DESIGNATED AS PT 8 36R8747 BEING PT OF A 121.92 METRE WIDE STRIP OF LAND
ALONG THE SHORE OF REYNOLDS LAKE; DISTRICT OF NIPISSING ; DISTRICT OF
NIPISSING
Address DISTRICT OF NIPISSING

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name NATURSTONE CORPORATION
Address for Service 182 7th Concession East
Millgrove, Ontario
L0R 1V0

I, David J. Greenway, CEO, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)**Capacity****Share**

Name PAISLEY MANAGEMENT INC.
Address for Service 4112 Stonebridge Crescent
Burlington, Ontario
L7M 4N3

Statements

Schedule: See Schedules

Provisions

Principal	\$1,000,000.00	Currency	CDN
Calculation Period			
Balance Due Date	ON DEMAND		
Interest Rate	25% per annum		
Payments			
Interest Adjustment Date			
Payment Date	ON DEMAND		
First Payment Date			
Last Payment Date			
Standard Charge Terms	200033		
Insurance Amount	full insurable value		
Guarantor			

Additional Provisions

See Schedule.

Signed By

Jacqueline Marie Daubney

181 Bay Street, Suite 4400,
Brookfield Place
Torontoacting for Chargor Signed 2012 10 19
(s)

M5J 2T3

Tel 4168857094

Fax 4168857048

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

MCMILLAN LLP

181 Bay Street, Suite 4400,
Brookfield Place
Toronto
M5J 2T3

2012 10 19

Tel 4168857094

Fax 4168857048

Fees/Taxes/Payment

Statutory Registration Fee

\$60.00

Total Paid

\$60.00

File Number

Chargor Client File Number :

90455

SCHEDULE

1. WHEREAS Naturstone Corporation (hereinafter called the "Chargor") is obligated to Paisley Management Inc. (the "Chargee").
2. AND WHEREAS the Chargor has at the request of the Chargee agreed to give this Charge as a continuing collateral security for payment and satisfaction to the Chargee of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Chargee and the Chargor or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising anywhere within or outside Canada and whether the Chargor be bound alone or with another or others and whether as principal or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again (such obligations, debts and liabilities being hereinafter called the "Liabilities") but it being agreed that this Charge at any one time will not secure that portion of the aggregate principal component of the Liabilities outstanding at such time which exceeds the sum of One Million Dollars (\$1,000,000.00).
3. PROVIDED THIS CHARGE to be void upon the Chargor, his heirs, executors, administrators, successors or assigns or any of them, paying on demand to the Chargee, its successors or assigns, the ultimate balance of the Liabilities, the principal component of such Liabilities not exceeding the sum of One Million Dollars (\$1,000,000.00) together with interest on the Liabilities at the rate of twenty-five per centum (25%) per annum (the "Interest Rate"), and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the principal sum, and all other amounts payable by the Chargor hereunder and paying any taxes, rates, levies, charges or assessments upon the Property no matter by whom or what authority imposed and observing and performing all covenants, provisos and conditions herein contained.
4. AS SECURITY FOR THE PAYMENT of the Liabilities (including the payment of the Principal), together with interest at the Interest Rate, overdue interest and all other amounts payable by the Chargor to the Chargee or otherwise owing or payable under this Charge, and the performance by the Chargor of all its obligations under this Charge, the Chargor does hereby create a security interest in and grant, mortgage, assign, transfer and charge as and by way of a fixed and specific mortgage and charge to and in favour of the Chargee, its successors and assigns all the right, title, interest and benefit of the Chargor in, to, under or in respect of the real property set out in Annex 1 to this Schedule (hereinafter referred to as the "Property").
5. IT IS AGREED BY AND BETWEEN THE PARTIES HERETO as follows:
 - (a) That no part of any Liabilities of the Chargor to the Chargee existing at the date of this Charge or incurred or arising thereafter, shall be deemed to be unsecured by this Charge.
 - (b) That this Charge is and shall be a continuing collateral security to the Chargee for the amount of such Liabilities and interest as herein provided and shall be deemed to be taken as security for the ultimate balance of such Liabilities; AND these presents shall not, nor shall anything herein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by or which may hereafter be held by the Chargee from the Chargor or from the Chargor or from any other person or persons and this Charge shall not in any way prejudicially affect any security held or which may hereafter be held by the Chargee for the said Liabilities or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or

on account of the said Liabilities or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of this Charge.

- (c) That any and all payments made in respect of the said Liabilities and interest and the monies or other proceeds realized from the sale of any securities held therefor including this Charge may be applied and reapplied notwithstanding any previous application on such part or parts of such Liabilities or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit.
 - (d) That the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Chargor, the Chargor and all other persons, securities and guarantees as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.
 - (e) That the taking of judgment in respect of the said Liabilities or any instrument or instruments now or hereafter representing or evidencing the said Liabilities or under any of the covenants herein or in any such instrument contained or implied shall not operate as a merger of the said Liabilities or such instrument, instruments or covenants nor affect the Chargee's right to interest at the rate and times herein provided nor affect nor prejudice any rights or remedies given to the Chargee by the terms hereof.
6. In addition to the events of default set out in Standard Charge Terms No. 200033 ("SCT"), the Chargor shall be in default hereunder in each and every of the following events (collectively with event of default set out in SCT, "Events of Default"):
- (a) The following Voluntary and Involuntary Proceedings shall be Events of Default:
 - (i) If a petition shall be filed or an involuntary proceeding, case or proposal shall be commenced against the Chargor under any bankruptcy, insolvency, debt restructuring, reorganization, incorporation, readjustment of debt dissolution, liquidation, winding up or similar law now or hereafter in effect, seeking the liquidation reorganization, dissolution, winding-up composition or readjustment of debts of the Chargor, the appointment of a trustee, receiver, receiver and manager, custodian, liquidator, administrator or other person with like powers for the Chargor or all or any material part of the Chargor's assets, or any similar relief;
 - (ii) The commencement by the Chargor, the making of any order for substantive relief against the Chargor in, any bankruptcy, insolvency, debt restructuring, reorganization incorporation, readjustment of debt, dissolution, liquidation or other similar proceedings (including without limitation proceedings under the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act*, the corporation statute under which the Chargor is organized or other similar legislation) or the filing of any notice of intention with respect to any of the foregoing;
 - (iii) The seizure of all or any material part of the Chargor's assets by any creditor or creditor's representative, including without limitation, a privately appointed or sheriff;
 - (b) The transfer or issue, by sale, assignment, bequest, inheritance or other disposition or by subscription of all or any part of the corporate shares of the Chargor which results in any change in the present effective voting control as at the date of the Charge, without the consent of the Chargee.

If an Event of Default has occurred and is continuing, the Chargee shall have the right to proceed to exercise its remedies both under this Charge and at law.

7. If any provision of this Charge is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions.
-
8. In this Charge the following words and phrases have the following meanings:
- (a) "Contaminant" includes, but is not limited to, any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or contaminants including any of the foregoing as defined in any Environmental Law.
 - (b) "Environmental Activity" means any past, present or future activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its release, emission, discharge, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil, surface water or groundwater.
 - (c) "Environmental Law" means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Environmental Activity.
 - (d) "Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump and exhaust and when used as a noun has a similar meaning.

The Chargor covenants and agrees that it will comply in all respects with the requirements of any Environmental Law applicable to the Property.

In the event of any Release of a Contaminant, the threat of a Release of a Contaminant, or the presence of any Contaminant affecting the Property, whether or not the same originates or emanates from the Property or any contiguous real property and/or if the Chargor shall fail to comply with any of the requirements of the Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and/or cause such work to be performed and/or take any and all other actions as the Chargee shall deem necessary or advisable in order to abate the discharge of any Contaminant, remove the Contaminant or cure the Chargor's non-compliance.

If the Chargee, or someone on the Chargee's behalf, retains the services of any lawyer or solicitor or any engineer, scientist or any environmental consultant or other consultant in connection with any environmental matter, the Chargor shall pay all costs and fees thereby incurred (including, without limitation, legal fees on a solicitor and client basis) if retained as a result of any breach of Environmental Law or in connection with any enquiry or investigation by a federal, provincial, municipal or local government or agency in connection with Environmental Law or if the services performed are reasonably necessary for the performance of the Chargee's functions under this Charge or for the preservation or protection of the Property. If the Chargor should fail to pay such costs or fees forthwith the Chargee may but shall not be obliged to pay the same.

All obligations, costs, charges, fees and expenses which the Chargee incurs with respect to any matter referred to in this section shall be added to the debt hereby secured and be a charge on the Property and shall bear interest at the rate set out in this Charge and shall be payable forthwith by the Chargor to the Chargee and in default the Chargee may exercise any and all of its remedies hereunder.

9. This Charge shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
10. In the event of any conflict between the terms and conditions of this schedule and the SCT, this schedule shall govern to the extent of such conflict. For certainty, any

provision contained in this schedule shall not conflict with the SCT by reason that such provision is contained in this schedule and not in the SCT.

ANNEX 1

Legal Description

PIN 49032-0012(LT)

PCL 28602 SEC NIP; PT MINING CLAIM T54703 MCAUSLAN; PT MINING CLAIM T54482 MCAUSLAN; PT MINING CLAIM T54648 MCAUSLAN PT 1, 2, 4, 5, 7 & 8 36R8747 EXCEPTING THEREOUT AND THEREFROM THE SRO ON AND OVER THOSE PARTS OF SAID TWP, CONTAINING BY ADMEASUREMENT 1.660 HECTARES, BE THE SAME MORE OR LESS, DESIGNATED AS PT 2 & 5 36R8747 BEING A 20.117 METRE WIDE STRIP OF LAND ALONG SHORE OF REYNOLDS LAKE; ALSO EXCEPTING THEREOUT AND THEREFROM THE SRO ON AND OVER THAT PART OF THE SAID TWP, CONTAINING BY ADMEASUREMENT 0.449 HECTARES, BE THE SAME MORE OR LESS, DESIGNATED AS PT 8 36R8747 BEING PT OF A 121.92 METRE WIDE STRIP OF LAND ALONG THE SHORE OF REYNOLDS LAKE; DISTRICT OF NIPISSING ; DISTRICT OF NIPISSING

and

Unpatented Mining Claims 4257097 and 4271847 held by the Chargor in the Township of McAuslan.

Land Registration Reform Act

DYE & DURHAM CO. INC.
Form No. 3002SET OF STANDARD CHARGE TERMS
(STANDARD CHARGE TERMS Filing)
CLAUSES TYPES DE CHARGEFiling No. 200033 CoteFiling Date Nov. 3rd/03 Date de Dépôt

Page 1 of 16 Pages

Filed by
Dye & Durham Co. Inc.Signature: Jan Verth
DIRECTOR OF LAND REGISTRATION
DIRECTEUR DE L'ENREGISTREMENT DES IMMOBILIERES

Filing Date:

Filing number:

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1990, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

Exclusion of
Statutory
CovenantsRight to
Charge the
LandNo Act to
EncumberGood Title in
Fee SimplePromise to
Pay and
PerformInterest After
DefaultNo Obligation
to AdvanceCosts Added
to PrincipalPower of
Sale

- The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act as amended or re-enacted are excluded from the Charge.
- The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.
- The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.
- The Chargor, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.
- The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.
- In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.
- Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.
- The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. Provided, and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable.
- The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgage Act. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situated; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

Acceleration of Principal and Interest

13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.

Unapproved Sale

14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.

Partial Release

15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.

Obligation to Insure

16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

Obligation to Repair

17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

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CLAUSES TYPES DE CHARGE

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before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargor must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargor must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargor agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargor shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargor based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargor has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargor authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not to Prejudice** 19. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargor will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargor's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargor will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargor's contribution towards the common expenses from the Chargor, the Chargor will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargor, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargor receives or is entitled to receive from the corporation. The Chargor will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargor shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargor irrevocably authorizes the Chargee to exercise the Chargor's rights under the Act to vote, consent and dissent.
- Discharge** 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargor.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
 - Although as between the Guarantor and the Chargor, the Guarantor is only surety for the payment by the Chargor of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargor or any successor thereof which may arise under the Charge; no extension or extensions granted by the Chargee to the Chargor or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargor or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargor or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
 - Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

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the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

Severability 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.

Interpretation 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Paragraph headings 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

Date of Charge 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.

Effect of Delivery of Charge 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority, on the part of the person delivering the Charge for registration to do so.

DATED this 1st day of November, 2009
(year)

DYE & DURHAM CO., INC.
By its solicitors, HOOEY - REMUS

Per: [Signature]
Name: Bill L. Remus
Title: Partner

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE

Filing No. 2009-33 Cols

EXHIBIT “G”



ServiceOntario

LAND
REGISTRY
OFFICE #36

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

49032-0012 (LT)

PAGE 1 OF 1
PREPARED FOR ROXANA MANEA
ON 2017/01/30 AT 15:05:13

teranet eXpress

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

PROPERTY DESCRIPTION:

PCL 28602 SEC NIP; PT MINING CLAIM T54703 MCAUSLAN; PT MINING CLAIM T54648 MCAUSLAN PT 1, 2, 4, 5, 7 & 8 36R8747 EXCEPTING THEREOUT AND THEREFROM THE SRO ON AND OVER THOSE PARTS OF SAID TWP, CONTAINING BY ADMEASUREMENT 1.660 HECTARES, BE THE SAME MORE OR LESS, DESIGNATED AS PT 2 & 5 36R8747 BEING A 20.117 METRE WIDE STRIP OF LAND ALONG SHORE OF REYNOLDS LAKE; ALSO EXCEPTING THEREOUT AND THEREFROM THE SRO ON AND OVER THAT PART OF THE SAID TWP, CONTAINING BY ADMEASUREMENT 0.449 HECTARES, BE THE SAME MORE OR LESS, DESIGNATED AS PT 8 36R8747 BEING PT OF A 121.92 METRE WIDE STRIP OF LAND ALONG THE SHORE OF REYNOLDS LAKE; DISTRICT OF NIPISSING ; DISTRICT OF NIPISSING

PROPERTY REMARKS:

CROWN GRANT SEE LT354934.

ESTATE/QUALIFIER:

RECENTLY:
FIRST CONVERSION FROM BOOK

FEE SIMPLE
ABSOLUTE

PIN CREATION DATE:
2004/08/23

OWNERS' NAMES

CAPACITY SHARE
BENO

NATURSTONE CORPORATION

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
36R8747	1991/03/19	PLAN REFERENCE				C
LT354934	1996/07/08	CROWN PATENT REMARKS: LETTERS PATENT			MCLAREN'S BAY MICA STONE QUARRIES INC.	C
BS108347	2012/10/19	APL CH NAME OWNER		MCLAREN'S BAY MICA STONE QUARRIES INC.	NATURSTONE CORPORATION	C
BS108348	2012/10/19	CHARGE	\$1,000,000	NATURSTONE CORPORATION	PAISLEY MANAGEMENT INC.	C
BS108553	2012/10/26	CHARGE	\$500,000	NATURSTONE CORPORATION	GAYLE BORER	C

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

PAISLEY MANAGEMENT INC.

Applicant

and

NATURSTONE CORPORATION

Respondent

Court File No.: CV-17-11685-00CL

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

Proceedings commenced at **Toronto**

AFFIDAVIT OF KEITH MCALPINE
Sworn February 1, 2017

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Kyla E.M. Mahar (LSUC# 44182G)
Tel: 416-304-0594
Fax: 416-304-1313

Lawyers for the Applicant, Paisley Management Inc.

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE**

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

B E T W E E N:

NATURSTONE CORPORATION

Applicant

- and -

PAISLEY MANAGEMENT INC.

Respondent

CONSENT

HPI Advisory Inc. hereby consents to act as Court-appointed Receiver in this proceeding should such an Order be granted by the Court.

Dated at Toronto this 30th day of January, 2017.

HPI ADVISORY INC.

Per: 

Name: Adam Fisher

Title: President

PAISLEY MANAGEMENT INC.

- and -

NATURSTONE CORPORATION

Applicant

Respondent

Court File No.: ►

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

Proceedings commenced at Toronto

CONSENT

Thornton Grout Finnigan LLP

TD West Tower, Toronto-Dominion Centre
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Kyla E.M. Mahar (LSUC#44182G)

Email: kmahar@tgf.ca

Tel: (416) 304-0594

Lawyers for the Applicant, Paisley Management Inc.

TAB 4

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

FRIDAY, THE 3RD

)

JUSTICE ►

)

DAY OF FEBRUARY, 2017

PAISLEY MANAGEMENT INC.

Applicant

- and -

NATURSTONE CORPORATION

Respondent

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant, Paisley Management Inc., for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing HPI Advisory Inc. (“**HPI**”) as receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Naturstone Corporation (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Keith McAlpine sworn February 1, 2017 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for the

Respondent or Gayle Borer although duly served as appears from the affidavit of service of Janet Nairne sworn February 1, 2017 and on reading the consent of HPI Advisory Inc. to act as the Receiver,

SERVICE

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

2. **THIS COURT ORDERS** that the Receiver and their 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 Debtor's 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 clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, HPI Advisory Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (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;

- (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 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 Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. 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 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;

(k) 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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 subsection 63(4) of the *Ontario Personal Property Security Act*, or section 31 of the *Ontario Mortgages Act*, as the case may be, shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply;

(l) 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;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to 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 the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) 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 (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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 and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 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 or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **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.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **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 DEBTOR OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor’s current

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

RECEIVER TO HOLD FUNDS

14. **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

15. **THIS COURT CONFIRMS** that all employees of the Debtor were terminated by the Debtor assigning itself into bankruptcy. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 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 sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, 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 the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver 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

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. 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

19. **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, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

21. **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

22. **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 \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **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.

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

25. **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.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.hpiadvisory.ca/naturstone>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol 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 the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

28. **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.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from continuing to act as a trustee in bankruptcy of the Debtor.

30. **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.

31. **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.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis

to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that HPI Advisory Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Naturstone Corporation (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 3rd day of February, 2017 (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, 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*, 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 _____, 20__.

HPI ADVISORY INC., solely in its capacity as Court
Appointed Receiver of the Property, and not in its
personal capacity

Per: _____
Name: ►
Title: ►

PAISLEY MANAGEMENT INC.

Applicant

and

NATURSTONE CORPORATION

Respondent

Court File No.: CV-17-11685-00CL

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

Proceedings commenced at **Toronto**

**ORDER
(APPOINTING RECEIVER)
(February 3, 2017)**

Thornton Grout Finnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

Kyla E.M. Mahar (LSUC# 44182G)
Tel: 416-304-0594
Fax: 416-304-1313

Lawyers for the Applicant, Paisley Management Inc.

TAB 5

Court File No. _____ CV-17-11685-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE _____) WEEKDAY, THE #
JUSTICE _____)
DAY OF MONTH, 20YR

PLAINTIFF[†]

Plaintiff

THE HONOURABLE) FRIDAY, THE 3RD
)
JUSTICE ►) DAY OF FEBRUARY, 2017

PAISLEY MANAGEMENT INC.

Applicant

- and -

DEFENDANT

Defendant

NATURSTONE CORPORATION

Respondent

[†] The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application.
This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

**ORDER
(appointing Receiver)**

THIS ~~MOTION~~ APPLICATION made by the Plaintiff² Applicant, Paisley Management Inc. for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ HPI Advisory Inc. ("HPI") as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Naturstone Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ Keith McAlpine sworn ~~[DATE]~~ February 1, 2017 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES]~~ the Applicant, no one appearing for ~~[NAME]~~ the Respondent or Gayle Borer although duly served as appears from the affidavit of service of ~~[NAME]~~ Janet Nairne sworn ~~[DATE]~~ February 1, 2017 and on reading the consent of ~~[RECEIVER'S NAME]~~ HPI Advisory Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~ Application and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the ~~[debtor and the monitor/receiver/financial advisor]~~ Receiver and their counsel are at liberty to serve or distribute this Order, any other

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

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 ~~Applicant~~Debtor's 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 clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~HPI Advisory Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (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;
- (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 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 Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business,

cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the 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 Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(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 the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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 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;

⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

(k) 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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 subsection 63(4) of the *Ontario Personal Property Security Act*, [or section 31 of the *Ontario Mortgages Act*, as the case may be,⁵ shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply;

(l) 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;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to 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 the Debtor;

⁵ If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) 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 (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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 and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph ~~56~~ or in paragraph ~~67~~ 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 or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **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.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **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 DEBTOR OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including

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

RECEIVER TO HOLD FUNDS

14. **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

15. **THIS COURT ~~ORDERS~~ CONFIRMS** that all employees of the Debtor ~~shall remain~~ were terminated by the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees Debtor assigning itself into bankruptcy. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 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 sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, 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 the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **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*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver 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

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. 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

19. **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, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

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

21. **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.

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

FUNDING OF THE RECEIVERSHIP

22. **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 \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **“Receiver’s Borrowings Charge”**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **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.

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

25. **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.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the **“Protocol”**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List

website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.hpiadvisory.ca/naturstone>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol 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 the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

28. **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.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from ~~acting~~continuing to act as a trustee in bankruptcy of the Debtor.

30. **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.

31. **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.

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

33. **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.

SCHEDULE "A" RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ HPI Advisory Inc., the receiver (the **"Receiver"**) of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ Naturstone Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property"**) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) dated the 3rd day of 20 February, 2017 (the **"Order"**) made in an action having Court file number -CL-, has received as such Receiver from the holder of this certificate (the **"Lender"**) the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, 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*, 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 _____, 20__.

~~[RECEIVER'S NAME]~~ **HPL ADVISORY INC.**, solely
in its capacity as Court Appointed Receiver of the
Property, and not in its personal capacity

Per: _____

Name: Name: ➤

Title: Title: ➤

PAISLEY MANAGEMENT INC.

and

Applicant

NATURSTONE CORPORATION

Respondent

Court File No.: CV-17-11685-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

(APPOINTING RECEIVER)

(February 3, 2017)

Thornton Grout Finnigan LLP

Barristers and Solicitors

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Toronto, Ontario

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Lawyers for the Applicant, Paisley Management Inc.,

IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

PAISLEY MANAGEMENT INC.

NATURSTONE CORPORATION

- and -
Applicant

Respondent
Court File No.: CV-17-11685-00CL

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

Proceedings commenced at Toronto

**APPLICATION RECORD
(Appointment of Receiver)**

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