

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

HSBC BANK CANADA

Applicant

- and -

ELLEN'S FOOD GROUP INC.

Respondent

APPLICATION RECORD

December 21, 2010

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Lawyers for HSBC Bank Canada

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TAB 1

Court File No.
CV-10-9031-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

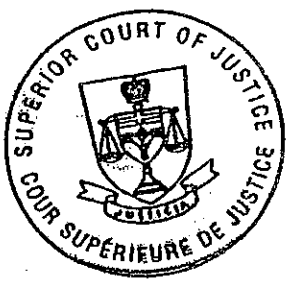
HSBC BANK CANADA

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- and -

ELLEN'S FOOD GROUP INC.

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 Wednesday, December 29, 2010 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

- 2 -

this application but are unable to pay legal fees, legal aid may be available to you by contracting a Local Legal Aid office.

DATE: December 20, 2010

Issued by: _____

Address of Court office:

330 University Avenue
Toronto, Ontario M5G 1E6

MB
LR7

TO: THIS HONOURABLE COURT

AND TO: Ellen Yuk Yee Pun
13779 Leslie Street
Aurora, ON L4G 7C5

AND TO: Ellen's Food Group Inc.
25 Centurian Dr.
Suite 203
Markham, ON L3R 5N8

Attention: Ellen Pun

APPLICATION

1. **THE APPLICANT**, HSBC Bank Canada, makes an application for:
 - (a) an Order declaring that the time for service of the Notice of Application and the Application Record herein be abridged so that this application is properly returnable today and that further service thereof be dispensed with;
 - (b) 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, appointing Deloitte & Touche Inc. ("Deloitte") as receiver (in such capacities, the "Receiver") without security, of all of the property, assets and undertakings of Ellen's Food Group Inc. (the "Company") in the form of the draft Order found at Tab 3 of the within Application Record; and
 - (c) such further and other relief as Counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE APPLICATION ARE:

1. the Company is a company incorporated under the laws of the Province of Ontario, operating out of leased facilities in Richmond Hill, Ontario. The Company manufactures and distributes quick frozen, ready-to-eat meals to nursing homes in the Asian community and federal institutions;
2. the Company is indebted to HSBC Bank Canada (the "Bank") in the amount of \$1,806,490.16 as at November 23, 2010, plus interest and costs after such date, in respect of a leasing facility (the "Lease Facility") extended by the Bank to the Company;

3. the Bank holds security over all of the personal property of the Company pursuant to, *inter alia*, a General Security Agreement dated June 3, 2005 and a Master Lease Agreement No. 230857.ON dated June 3, 2005;
4. the Bank registered its security interest against the Company pursuant to the *Personal Property Security Act* (Ontario), R.S.O. 1990, c. P-10, as amended, on July 7, 2005, against all classes of collateral except “consumer goods”;
5. the Lease Facility extended to the Company is payable on demand;
6. on June 18, 2010, representatives of the Bank and Deloitte attended at the Company’s business premises at 30 Sims Crescent, Richmond Hill, Ontario (the “Sims Crescent Premises”). During the course of their review of the business premises, representatives of the Bank and Deloitte noted that there was virtually no inventory and while there was equipment at the facility, it did not appear as though the facility had been active for a period of time;
7. Deloitte was formally engaged as the Bank’s consultant pursuant to an engagement letter dated June 18, 2010;
8. on June 24, 2010, the Bank issued a demand for payment and a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act*;
9. over the course of July and August, 2010, the Bank and the Company engaged in the negotiation of a forbearance agreement. Three different forbearance agreements were prepared but the Company refused to execute any of the agreements;
10. in July and August 2010, Deloitte attended at the Sims Crescent Premises with two appraisers to appraise certain leased equipment that was subject to the Lease Facility. Deloitte also attended with the appraisers at the business premises located at 245 Midwest Road, Toronto, Ontario (the “Midwest Road Premises”) where Deloitte had been advised that the Company kept further leased equipment;
11. even after attending both the Sims Crescent Premises and Midwest Road Premises, Deloitte was unable to locate all of the leased equipment subject to the Credit Facility over which the Bank has a registered security interest;

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12. the Bank is concerned that Deloitte was unable to locate all of the leased equipment subject to the Credit Facility despite having attended at the two properties where it was advised by the Company that all of the leased equipment was located. Furthermore, the Bank is concerned that the Company is no longer active and that the value of the security granted by the Company in favour of the Bank has decreased significantly;

13. pursuant to an appointment agreement dated November 19, 2010, the Bank appointed Deloitte as receiver of the Company, which appointment commenced on that same date. Deloitte attended at the Sims Crescent Premises but could not locate the Company's principal, Ms. Ellen Pun. As such, Deloitte attended at the Company's registered office address at 25 Centurian Drive, Markham, Ontario (the "Centurian Business Premises"). Upon arriving at the Centurian Business Premises, Deloitte was advised by the Company's principal, Ms. Pun, that the Company did not consent to Deloitte's appointment as receiver and would not cooperate with Deloitte in its capacity as receiver for the Company;

14. Ms. Pun was advised that the Bank would seek a court appointment of Deloitte as Receiver the following week. The Company subsequently approached the Bank and proposed a forbearance agreement which was negotiated and executed on November 23, 2010 (the "November Forbearance Agreement");

15. as part of the November Forbearance Agreement, the Company agreed to provide a consent to Deloitte's appointment as Receiver over the Company in the event of a default under the terms of the November Forbearance Agreement;

16. pursuant to the terms of the November Forbearance Agreement, a Forbearance Terminating Event occurred when Ellen's Health Food Ltd., a corporation affiliated with the Company that is also indebted to the Bank, did not make a payment in the amount of \$454,990.72 to the Bank by 5:00 p.m. on November 26, 2010;

17. in view of the Bank's concerns as to the potential misappropriation of Company assets and concerns regarding the possible devaluation of the Bank's security position, it is just and convenient that a receiver be appointed by the Court;

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18. the appointment of the Receiver is necessary in order to provide the best chance of recovery of the missing assets prior to their further dissipation or transfer and the best chance of preserving what little value may remain in the Bank's security;

19. Deloitte has consented to act as Receiver of the Company;

20. such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Affidavit of John Borch sworn December 20, 2010 and the exhibits referred to therein;
2. the Consent of Deloitte & Touche Inc. to act as Receiver; and
3. such further and other evidence as counsel may advise and this Honourable Court may permit.

December 20, 2010

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Lawyers for HSBC Bank Canada

HSBC BANK CANADA

Applicant

and

ELLEN'S FOOD GROUP INC.

Respondent

Court File No.:

CV-10-9031-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION

Thornton Grout Finnigan LLP
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Lawyers for HSBC Bank Canada

TAB 2

Court File No. CV-10-9031-00CL

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

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

ELLEN'S FOOD GROUP INC.

Respondent

**AFFIDAVIT OF JOHN BORCH
(Sworn December 20, 2010)**

I, **JOHN BORCH**, of the City of Markham, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an Assistant Vice-President in the Special Credit Department of HSBC Bank Canada (the "Bank"), and, as such, I have knowledge of the matters deposed to herein. Unless I indicate to the contrary, the facts herein are within my own personal knowledge and are true to the best of my knowledge. Where I have indicated that I have obtained information from other sources, I verily believe those facts to be true.

RELIEF SOUGHT

2. This affidavit is filed in support of an application by the Bank for an Order appointing Deloitte & Touche Inc. ("Deloitte") as the receiver (the "Receiver") of the property, assets and undertaking of Ellen's Food Group Inc. (the "Company").

THE PARTIES

3. The Company is a company incorporated under the laws of the Province of Ontario, operating out of leased facilities in Richmond Hill, Ontario. The Company manufactures and distributes quick frozen, ready-to-eat meals to nursing homes in the Asian community and federal institutions.

4. The Bank is not aware of any employees that may be employed by the Company.

5. HSBC Bank Canada is a division of HSBC Holdings PLC, with headquarters located in London, England. The Bank is located in Toronto, Ontario.

INDEBTEDNESS TO THE BANK

6. Pursuant to the facility letter dated February 10, 2005 (the "Credit Agreement"), as amended, the Bank extended to the Company the following credit facilities (the "Credit Facilities"):

- (a) an operating lease line in the maximum principal amount of \$3,000,000.00 (the "Lease Facility") to finance the Company's acquisition of equipment for use in its production plant located at 30 Sims Crescent, Richmond Hill, Ontario (the "Sims Crescent Premises"). As at November 23, 2010, the amount outstanding under the Lease Facility was \$1,806,490.16; and
- (b) a revolving operating loan in the maximum principal amount of \$2,000,000 to assist with the Company's working capital requirements and the importing of equipment for use in the Company's business operations (the "Operating Line

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Facility”). As at November 23, 2010, the amount outstanding under the Company’s Operating Line Facility was \$0.00.

7. As security for the indebtedness of the Company to the Bank, the Company executed and delivered to the Bank, among other things, a General Security Agreement dated June 3, 2005 (the “GSA”) and a Master Lease Agreement No. 230857.ON dated June 3, 2005 (the “Master Lease Agreement”). Attached hereto and marked as Exhibits “A” and “B” are true copies of the GSA and the Master Lease Agreement.

8. The Bank registered its security interest against the Company pursuant to the *Personal Property Security Act* (Ontario) (“PPSA”) on July 7, 2005, against all classes of collateral, except “consumer goods”. The Bank’s registration was subsequently amended by financing change statement registered July 7, 2010 renewing the registration for an additional year. Attached hereto and marked as Exhibit “C” is a true copy of the PPSA Enquiry Response Certificate from the Ministry dated November 25, 2010 in respect of the Company.

9. The obligations of the Company to the Bank are guaranteed pursuant to the personal guarantee dated June 3, 2005 of Ellen Pun, the principal of the Company (the “Pun Guarantee”). The Pun Guarantee is limited to the principal amount of \$6,000,000.00. Attached hereto and marked as Exhibit “D” is a true copy of the Pun Guarantee.

10. In addition to the Credit Facilities, the Bank also extended certain credit facilities to Ellen’s Health Food Ltd. (“Health Food”), Ellen’s Investment Holding Inc. and Ellen Associates Ltd. (the “Affiliated Debtors”).

11. The Bank extended a leasing facility to Health Food pursuant to a credit facility agreement dated July 27, 2006. Pursuant to an assignment and assumption agreement dated October 21, 2008 (the "Assignment and Assumption Agreement"), Health Food assigned all of its right, title and interest in and to the assets leased under its leasing facility with the Bank to the Company. Attached hereto and marked as Exhibit "E" is a true copy of the Assignment and Assumption Agreement.

12. Although the Health Food leases were assigned to the Company, Health Food remains obligated to the Bank for the payment of all rent and any other amounts owing under the assigned leases.

DEMANDS FOR PAYMENT AND FORBEARANCE

13. As at June 18, 2010, the Company was in breach of certain terms and covenants contained in the Credit Agreement, including the failure to pay rental arrears owing under the Lease Facility, which constituted a default under the Credit Agreement.

14. On June 18, 2010, I attended at the Sims Crescent Premises with Robert Bougie, a partner with Deloitte, and Brenda Wong, a senior manager with Deloitte, to meet with Ms. Pun and to review the facility. During the course of our review of the Sims Crescent Premises, we noted that there was virtually no inventory in the premises. We were advised by Ms. Pun that very little inventory was kept at the Sims Crescent Premises as it was shipped out daily. Although there was equipment at the facility, it did not appear as though the facility had been used for quite some time.

15. Pursuant to a letter agreement dated June 18, 2010 (the "Appointment Letter"), the Bank formally engaged Deloitte as a consultant to monitor the affairs of the Company and the Affiliated Debtors, including their financial performance, and report to the Bank. The Company and the Affiliated Debtors did not sign the consent attached to the Appointment Letter. Attached hereto and marked as Exhibit "F" is a true copy of the Appointment Letter.

16. On June 25, 2010, Ms. Wong and I attended at the Company's registered business address located at 25 Centurian Road, Markham, Ontario (the "Centurian Road Premises") and met with Ms. Pun to discuss the Bank's concerns with the Company's Credit Facilities (the "June Meeting"). On that same date, the Bank issued a demand for payment and a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Attached hereto and marked as Exhibit "G" is a true copy of the Bank's demand letter and Notice of Intention to Enforce Security, each dated June 24, 2010.

17. By letter dated June 24, 2010, the Bank also demanded payment of all amounts owing to the Bank from Ms. Pun on account of the Pun Guarantee. Attached hereto and marked as Exhibit "H" is a true copy of the demand letter issued to Ms. Ellen Pun by the Bank on June 25, 2010.

18. At the June Meeting, I also provided Ms. Pun with a forbearance agreement (the "First Forbearance Agreement") to be signed by the Company, Ms. Pun, in her capacity as guarantor of the Company's indebtedness to the Bank, and the Affiliated Debtors. At the June Meeting, Ms. Pun and I engaged in discussions about the repayment of the Leasing Facility and the First Forbearance Agreement was amended on account of certain requests made by Ms. Pun to revise the repayment schedule.

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19. I am advised by Mr. Bougie that Deloitte, in its capacity as the Bank's consultant, requested certain information regarding the corporate structure of the Company and the Affiliated Debtors but was never provided with that information. I am further advised by Mr. Bougie that aside from opening the facilities to allow for the appraisal of the equipment leased pursuant to the Lease Facility (the "Leased Equipment"), as described in paragraph 20, the Company and the Affiliated Debtors have not extended any cooperation to Deloitte.

20. Despite being advised by Ms. Pun on a number of occasions in late June and early July 2010 that the terms of the First Forbearance Agreement were agreeable and that an executed copy would be provided to me, the First Forbearance Agreement was never executed.

21. On or about July 22, 2010, Ms. Wong and I met with Ms. Pun at the office of the Bank's counsel, ThorntonGroutFinnigan LLP ("TGF"). The meeting was also attended by, among others, Danny Nunes, an associate with TGF, Andrea Habas, a lawyer with the Company's counsel, Bresver Grossman Scheininger & Chapman LLP, and the Company's accountant (the "July Meeting"). At the July Meeting, I advised Ms. Pun of the terms upon which the Bank would agree to forbear from enforcing its security. At the conclusion of the July Meeting, I was of the belief that the terms that I had proposed were acceptable to the Company and Ms. Pun.

22. After the July Meeting, a second forbearance agreement was prepared (the "Second Forbearance Agreement") which set forth the terms upon which the Bank would agree to forbear from enforcing its security. The terms in the Second Forbearance Agreement were the same terms that had been discussed at the July Meeting. The Company, Ms. Pun and the Affiliated Debtors did not execute the Second Forbearance Agreement.

23. In July and August 2010, I am advised by Ms. Wong that she attended at the Sims Crescent Premises with two appraisers to appraise the Leased Equipment. I am further advised by Ms. Wong that she, along with the two appraisers, attended at the business premises located at 245 Midwest Road, Toronto, Ontario (the "Midwest Road Premises") where Deloitte had been advised by Ms. Pun that the Company kept further Leased Equipment.

24. I am advised by Ms. Wong that even after attending at both the Sims Crescent Premises and the Midwest Road Premises, she was unable to locate all of the Leased Equipment over which the Bank has a registered security interest.

25. A third forbearance agreement was prepared and sent to Ms. Habas in late August 2010 for consideration by the Company and Ms. Pun (the "Third Forbearance Agreement"). The Company and Ms. Pun also did not execute the Third Forbearance Agreement. The Company continued to be in default of the terms of the Credit Agreement at the time of the Third Forbearance Agreement.

APPOINTMENT OF RECEIVER

26. The Company continued to be in default of the Credit Agreement when, pursuant to the appointment agreement dated November 19, 2010 ("Appointment Agreement"), the Bank appointed Deloitte as receiver of the Company, which appointment commenced that same day. Attached hereto and marked as Exhibit "I" is a true copy of the Appointment Agreement.

27. Pursuant to the terms of the GSA, the Bank has the right to appoint a receiver over the Company's property, assets and undertaking.

28. On November 19, 2010, Deloitte attended at the Sims Crescent Premises to commence its activities as receiver.

29. I was advised by Ms. Wong that she was unable to locate Ms. Pun at the Sims Crescent Premises. As such, she attended at the Centurian Road Premises. I was further advised by Ms. Wong that she met Ms. Pun at the Centurian Road Premises and was advised by Ms. Pun that the Company “did not consent to Deloitte’s appointment” and “would not cooperate with Deloitte”.

30. I am advised by Ms. Wong that upon being advised that the Company did not consent to Deloitte’s appointment as receiver and would not cooperate with Deloitte, she advised Ms. Pun that the Bank would proceed the following week to bring an application for the court appointment of Deloitte as receiver.

31. I am advised by Mr. Nunes that on or about November 22, 2010, he received a “without prejudice” letter from Ms. Habas regarding the terms of a possible forbearance agreement with the Bank. The terms of the fourth forbearance agreement (the “Fourth Forbearance Agreement”) were finalized over the course of November 22 and 23, 2010 and the Fourth Forbearance Agreement was executed by the Company and Ms. Pun. Attached hereto and marked as Exhibit “J” is a true copy of the Fourth Forbearance Agreement.

32. Pursuant to the terms and conditions of forbearance included in the Fourth Forbearance Agreement, the Bank was to receive payment in the amount of \$454,990.72 from Health Food by no later than 5:00 p.m. on November 26, 2010 (the “Health Food Payment”). The Bank was also to receive an executed consent in favour of the Bank for the appointment of a receiver over the property, assets and undertaking of the Company which would be held in escrow and would only become effective upon the occurrence of the Forbearance Deadline of January 31, 2011 or a

Forbearance Terminating Event, as defined in the Fourth Forbearance Agreement (the "Food Group Consent").

33. The Bank did not receive the Health Food Payment which constitutes a Forbearance Terminating Event pursuant to the terms of the Fourth Forbearance Agreement. As such, the Food Group Consent is effective and may be relied upon by the Bank. Attached hereto and marked as Exhibit "K" is a true copy of the Food Group Consent.

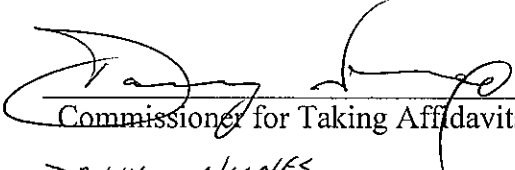
34. The Bank extended numerous opportunities to the Company to agree to terms on a forbearance agreement but the Company refused to sign any of the First, Second or Third Forbearance Agreements. After having visited the Sims Crescent Premises from which the Company supposedly operates, as well as the Midwest Road Premises, the Bank has serious concerns about whether the Company even continues in operation which raises significant concerns about the security of the Leased Equipment which may very well constitute the only assets of the Company upon which the Bank may realize to recover the Company's indebtedness.

35. The appointment of the Receiver is necessary in order to provide the best chance of recovery of the missing assets prior to any further dissipation or transfer and the best chance of preserving what little value may remain in the Bank's security.

36. The Bank proposes that Deloitte be appointed as Receiver of the Company. I am advised by Mr. Bougie that Deloitte has consented to act as Receiver of the Company and a copy of its consent is attached hereto and marked as Exhibit "L".

37. I make this affidavit in support of an application 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 20th day of
December, 2010.



Commissioner for Taking Affidavits
DANNY NUNES



JOHN BORCH

EXHIBIT “A”

HSBC Bank Canada

GENERAL SECURITY AGREEMENT (Ontario)

This General Security Agreement made as of the 3rd day of June, 2005

Between:

Ellen's Food Group Inc. (hereinafter called the 'Debtor')

c/o Ellen's Healthfood ^(Name of Debtor) Company Ltd.
245 Midwest Road Scarborough Ontario M1P 3A6

(Address)

And:

HSBC Bank Canada (hereinafter called the 'Bank')

3640 Victoria Park Ave., Willowdale Ont.
M2H 3B2

(Address)

The Debtor hereby enters into this General Security Agreement with the Bank for valuable consideration and as security for the repayment and discharge of all indebtedness, obligations and liabilities of any kind, now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Debtor to the Bank, whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Bank, its receiver or agent in the preparation, perfection and enforcement of security or other agreements held by the Bank in respect of such indebtedness, obligations or liabilities and interest thereon (all of which present and future indebtedness, obligations, liabilities, expenses and interest are herein collectively called the 'Indebtedness').

A. Grant of Security Interests

1. The Debtor hereby grants to the Bank, by way of mortgage, charge, assignment and transfer, a security interest (the 'Security Interest') in the undertaking of the Debtor and in all Personal Property including, without limitation, all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now or hereafter owned or acquired by or on behalf of the Debtor and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively call the 'Collateral') including without limitation, all of the following now or hereafter owned or acquired by or on behalf of the Debtor:
 - (i) all Inventory of whatever kind and wherever situate;
 - (ii) all Equipment of whatever kind and wherever situate including, without limitation, all machinery, tools, apparatus, plant furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit, guarantees and advices of credit which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor;
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights and other industrial property;
 - (vi) all monies other than trust monies lawfully belonging to others; and
 - (vii) all property and assets, real and personal, moveable or immovable, of whatsoever nature and kind.
2. The Security Interest hereby created shall not extend or attach to (i) any personal property held in trust by the Debtor and lawfully belonging to others or (ii) any property of the Debtor that constitutes consumer goods for the personal use of the Debtor; or (iii) the last day of the term of any lease, oral or written or agreement therefor, now held or hereafter acquired by the Debtor, provided that upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose of the same to any person acquiring such term. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the PPSA.

B. Attachment

3. The Debtor warrants and acknowledges that the Debtor and the Bank intend the Security Interest in existing Collateral to attach upon the execution of this General Security Agreement; that value has been given; that the Debtor has rights in such existing Collateral; and that the Debtor and the Bank intend the Security Interest in hereafter acquired Collateral to attach at the same time as the Debtor acquires rights in the said after acquired Collateral.

C. Representations and Warranties of Debtor

4. The Debtor hereby represents and warrants to the Bank that:
- (a) the Debtor has or expects hereafter to have assets at the location(s) set out in Schedule 'A';
 - (b) the Collateral is primarily situate or located at the location(s) set out in Schedule 'A' on the date hereof but may from time to time be located at other premises of the Debtor; may also be located at other places while in transit to and from such locations and premises; and may from time to time be situate or located at any other place when on lease or consignment to any lessee or consignee from the Debtor; and
 - (c) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (collectively hereinafter called 'Encumbrances'), save for the Security Interest and those Encumbrances set out in Schedule 'B'.

D. Covenants and Agreements of Debtor

5. The Debtor hereby covenants and agrees with the Bank that until all of the Indebtedness is paid in full:
- (a) the Debtor shall not without the prior written consent of the Bank sell or dispose of any of the Collateral in the ordinary course of business or otherwise, and if the amounts on or in respect of the Collateral or Proceeds thereof shall be paid to the Debtor, the Debtor shall receive the same in trust for the Bank and forthwith pay over the same to the Bank upon request; provided however that the Inventory of the Debtor may be sold or disposed of in the ordinary course of business and for the purpose of carrying on the same;
 - (b) the Debtor shall not without the prior written consent of the Bank create or permit any Encumbrances upon or assign or transfer as security or pledge or hypothecate as security the Collateral except to the Bank;
 - (c) the Debtor shall at all times have and maintain insurance over the Collateral against risks of fire (including extended coverage), theft, and such risks as the Bank may reasonably require in writing, containing such terms, in such form, for such periods and written by such companies as may be reasonably satisfactory to the Bank. The Debtor shall duly and seasonably pay all premiums and other sums payable for maintaining such insurance and shall cause the insurance money thereunder to be payable to the Bank as its interest hereunder may appear and shall, if required, furnish the Bank with certificates or other evidence satisfactory to the Bank of compliance with the foregoing insurance provisions. In the event that Debtor fails to pay all premiums and other sums payable in accordance with the foregoing insurance provision, the Bank may make such payments to be repayable by the Debtor on demand and any such payments made by the Bank shall be secured hereby;
 - (d) the Debtor shall keep the Collateral in good condition and repair according to the nature and description thereof, and the Bank may, whenever it deems necessary, either in person or by agent, inspect the Collateral and the reasonable cost of such inspection shall be paid by the Debtor and secured hereby and the Bank may make repairs as it deems necessary and the cost thereof shall be paid by the Debtor and secured hereby;
 - (e) the Debtor shall duly pay all taxes, rates, levies, assessments of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable; and
 - (f) the Debtor agrees that the Bank may, at any time, whether before or after a default under this General Security Agreement, notify any account debtor of the Debtor of the Security Interest, require such account debtor to make payment to the Bank, take control of any Proceeds of Collateral and may hold all amounts received from any account debtor and any Proceeds as part of the Collateral and as security for the Indebtedness.
6. The Debtor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered any such further act, deed, transfer, assignment, assurance, document or instrument as the Bank may reasonably require for the better granting, mortgaging, charging, assigning and transferring unto the Bank the property and assets hereby subjected or intended to be subject to the Security Interest or which the Debtor may hereafter become bound to mortgage, charge, assign, transfer or subject to the Security Interest in favour of the Bank for the better accomplishing and effectuating of this General Security Agreement and the provisions contained herein and each and every officer of the Bank is irrevocably appointed attorney to execute in the name and on behalf of the Debtor any document or instrument for the said purposes.
7. The Debtor shall permit the Bank at any time, either in person or by agent, to inspect the Debtor's books and records pertaining to the Collateral. The Debtor shall at all times upon request by the Bank furnish the Bank with such information concerning the Collateral and the Debtor's affairs and business as the Bank may reasonably request including, without limitation, lists of Inventory and Equipment and lists of Accounts showing the amounts owing upon each Account and securities therefor and copies of all financial statements, books and accounts, invoices, letters, papers and other documents in any way evidencing or relating to the

Accounts.

8. The Debtor acknowledges and agrees that, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term 'Debtor' when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interest granted hereby:
- (i) shall extend and attach to 'Collateral' (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any 'Collateral' thereafter owned or acquired by the amalgamated corporation;
 - (ii) shall secure the 'Indebtedness' (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Bank at the time of amalgamation and any 'Indebtedness' of the amalgamated corporation to the Bank thereafter arising.

E. Default

9. The Debtor shall be in default under this General Security Agreement upon the occurrence of any one of the following events:
- (a) the nonpayment by the debtor, when due, whether by acceleration or otherwise, of any of the Indebtedness;
 - (b) the death or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
 - (c) the failure of the Debtor to observe or perform any covenant, undertaking or agreement heretofore or hereafter given to the Bank, whether contained herein or not;
 - (d) an execution or any other process of the Court becomes enforceable against the Debtor or a distress or an analogous process is levied upon the property of the Debtor or any part thereof;
 - (e) the Debtor becomes insolvent, commits an act of bankruptcy, makes an assignment in bankruptcy or a bulk sale of its assets, any proceeding for relief as a debtor or liquidation, re-assignment or winding-up is commenced with respect to the Debtor or a bankruptcy petition is filed or presented against the Debtor and is not bona fide opposed by the Debtor;
 - (f) the Debtor ceases to carry on business; or
 - (g) the Debtor defaults in the observance or performance of any provision relating to indebtedness of the Debtor to any creditor other than the Bank and thereby enables such creditor to demand payment of such indebtedness.
10. The Bank may in writing waive any breach by the Debtor of any of the provisions contained herein or any default by the Debtor in the observance or performance of any covenant or condition required by the Bank to be observed or performed by the Debtor; provided that no act or omission by the Bank in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

F. Remedies of the Bank

11. (a) Upon any default under this General Security Agreement, the Bank may declare any or all of the Indebtedness to be immediately due and payable and the Bank may proceed to realize the security hereby constituted and to enforce its rights by entry or by the appointment by instrument in writing of a receiver or receivers of all or any part of the Collateral and such receiver or receivers may be any person or persons, whether an officer or officers or employee or employees of the Bank or not, and the Bank may remove any receiver or receivers so appointed and appoint another or others in his or their stead; or by proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers or for sale of the Collateral or any part thereof; or by any other action, suit, remedy or proceeding authorized or permitted hereby or by law or by equity; and may file such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relative to the Debtor.
- (b) Any such receiver or receivers so appointed shall have power:
- (i) to take possession of the Collateral or any part thereof and to carry on the business of the Debtor;
 - (ii) to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of the Debtor;
 - (iii) to further charge the Collateral in priority to the Security Interest as security for money so borrowed; and
 - (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine.

In exercising any powers any such receiver or receivers shall be deemed to act as agent or agents for the Debtor and the Bank shall not be responsible for the actions of such agent or agents.

- (c) In addition, the Bank may enter upon and lease or sell the whole or any part or parts of the Collateral and any such sale may

be made hereunder by public auction, by public tender or by private contract, with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor, and such sale shall be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as to the Bank in its sole discretion may seem advantageous and such sale may take place whether or not the Bank has taken such possession of such Collateral.

- (d) No remedy for the realization of the security hereof or for the enforcement of the rights of the Bank shall be exclusive of or dependent on any other such remedy, and any one or more of such remedies may from time to time be exercised independently or in combination.
- (e) The term 'receiver' as used in this General Security Agreement includes a receiver and manager.

G. Rights of the Bank

- 12. All payments made in respect of the Indebtedness and money realized from any securities held therefor may be applied on such part or parts of the Indebtedness as the Bank may see fit and the Bank shall at all times and from time to time have the right to change any appropriation of any money received by it and to re-apply the same on any other part or parts of the Indebtedness as the Bank may see fit, notwithstanding any previous application by whomsoever made.
- 13. The Debtor grants to the Bank the right to set off against any and all accounts, credits or balances maintained by it with the Bank, the aggregate amount of any of the Indebtedness when the same shall become due and payable whether at maturity, upon acceleration of maturity thereof or otherwise.
- 14. The Bank, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from and may otherwise deal with the Debtor and all other persons and securities as the Bank may see fit.
- 15. The Bank may assign, transfer and deliver to any transferee any of the Indebtedness or any security or any documents or instruments held by the Bank in respect thereof provided that no such assignment, transfer or delivery shall release the Debtor from any of the Indebtedness; and thereafter the Bank shall be fully discharged from all responsibility with respect to the Indebtedness and security, documents and instruments so assigned, transferred or delivered. Such transferee shall be vested with all powers and rights of the Bank under such security, documents or instruments but the Bank shall retain all rights and powers with respect to any such security, documents or instruments not so assigned, transferred or delivered. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Bank.

H. Miscellaneous

- 16. This General Security Agreement is in addition to, not in substitution for and shall not be merged in any other agreement, security, document or instrument now or hereafter held by the Bank or existing at law in equity or by statute.
- 17. Nothing herein shall obligate the Bank to make any advance or loan or further advance or loan or to renew any note or extend any time for payment of any indebtedness of the Debtor to the Bank.
- 18. This General Security Agreement shall be binding upon the Debtor and its heirs, legatees, trustees, executors, administrators, successors and assigns including any successor by reason of amalgamation of or any other change in the Debtor and shall enure to the benefit of the Bank and its successors and assigns.
- 19. In construing this General Security Agreement, terms herein shall have the same meaning as defined in the PPSA, as hereinafter defined, unless the context otherwise requires. Words importing gender shall include all genders. Words importing the singular number shall include the plural and vice versa.
- 20. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 21. The headings in this General Security Agreement are included herein for convenience of reference only and shall not constitute a part of this General Security Agreement for any other purpose.
- 22. Any notice or statement referred to herein may be delivered, sent by facsimile machine or providing that postal service throughout Canada is fully operative, may be mailed by ordinary prepaid mail to the Debtor at his last address known to the Bank and the Debtor shall be deemed to have received such notice or statement on the day of delivery, if delivered, one business day after transmission and confirmation received if sent by facsimile machine and three business days after mailing, if mailed.
- 23. Where any provision or remedy contained or referred to in this General Security Agreement is prohibited, modified or altered by the laws of any province or territory of Canada which governs that aspect of this General Security Agreement and the provision or

remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and excludes such provision to the fullest extent permissible by law.

24. This General Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario as the same may be in effect from time to time including, where applicable, the Personal Property Security Act of that Province (as amended or substituted, the 'PPSA'). For the purpose of legal proceedings this General Security Agreement shall be deemed to have been made in the said Province and to be performed there and the courts of that Province shall have jurisdiction over all disputes which may arise under this General Security Agreement and the Debtor hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of such courts, provided always that nothing herein contained shall prevent the Bank from proceeding at this election against the Debtor in the Courts of any other Province, country or jurisdiction.

25. The Debtor acknowledges having received a copy of this General Security Agreement. This General Security Agreement has been duly executed by the Debtor on the 2nd day of June 2004

FOR A CORPORATION

Ellen's Food Group Inc.

Name of Corporation

Per: _____
Name: _____
Title: _____
Per: _____
Name: _____
Title: _____



C/S

FOR AN INDIVIDUAL

Witness: _____
Signature of Witness

Debtor: _____ 1/s
Signature of Debtor

Name: _____
Address: _____

Name: _____
Address: _____

Full Name and Address <i>For Individual, insert first given name, initial of second given name, if any, then surname.</i>	Date of Birth <i>MM/DD/YY</i>	Sex <i>M / F</i>

Schedule 'A'

Locations of Collateral:

Schedule 'B'

Encumbrances Affecting Collateral:

EXHIBIT “B”

Master
Equipment
Lease

HSBC Bank Canada
Leasing Division
1500 - 888 Dunsmuir Street
Vancouver, British Columbia V6C 3K4

3013012 (11-2000)

Lease
Number 230857.ON

Lessor HSBC Bank Canada

Lessee Ellen's Food Group Inc.

Address 245 Midwest Road, Scarborough, Ontario M1P 3A6

1. **LEASE.** Lessor leases to Lessee and Lessee leases from Lessor the collateral described in the Schedule(s) annexed hereto together with all parts, accessories and equipment, now or hereafter attached to or forming a part thereof and Lessee grants a security interest in all proceeds therefrom including all types and kinds of personal property including, without limitation, trade-ins, accounts, building materials, chattel paper, contracts, contract rights, documents of title, rental payments, insurance payments, fixtures, instruments, money, inventory, leases, securities, equipment and any other goods or intangibles received as a result of the said goods, chattels and movable property being sold, dealt with or otherwise disposed of (the foregoing collateral and proceeds being herein called the "Collateral"). Each schedule shall constitute a separate lease of the collateral described therein from Lessor to Lessee on the terms, covenants and conditions set forth herein and in each Schedule.
2. **RENT.**
 - (a) The rent described in each Schedule shall be payable, at the times specified in such Schedule, to Lessor at 1500 - 888 Dunsmuir Street Vancouver, British Columbia V6C 3K4 or such other place as Lessor may, in writing, designate. Any overdue payment of rent or any other sum due hereunder shall bear interest from the due date to the date of payment at the rate of the Prime Rate plus 3.0% per annum calculated and compounded monthly.
 - (b) Lessee shall not be entitled to any abatement, compensation, reduction of or set-off against any rental payments due, including, but not limited to, abatements, compensations, reductions, counterclaims or set-offs due or alleged to be due to Lessee from Lessor, or by reason of any past, present, or future claims of Lessee against Lessor under this lease or otherwise; nor shall this lease terminate, or the respective obligations of Lessor or Lessee be otherwise affected by reason of defect in, or damage to, or loss of possession, or loss of use of or destruction of the Collateral from whatever cause, the prohibition or the restriction of Lessee's use of the Collateral, the interference with such use by any private person or entity, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding: it being the intention of the parties hereto that the rental amounts due pursuant to each Schedule and other amounts payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times provided in each Schedule unless the obligation to pay the same shall be terminated pursuant to the express provisions of this lease or any Schedule hereto.
3. **TERM.** Notwithstanding the date of delivery of the Collateral specified in each Schedule, the term of this lease shall, with respect to the Collateral described in each Schedule, commence at the date and continue for the term specified in such Schedule.
4. **USE.** Lessee shall not, without prior written consent of Lessor, change the location of the Collateral from that specified in the Schedule nor change the use of the Collateral to any use which could in any way result in a change of capital cost allowance class from that specified in the Schedule. The Collateral shall be used by the Lessee for commercial, industrial, professional or handicraft purposes only. The Lessee shall not affix the Collateral to real or immovable property nor to any goods, chattels, or movable property not otherwise leased hereunder without the prior written consent of the Lessor.
5. **ORDER, DELIVERY, INSTALLATION.** Order, delivery and installation of the Collateral shall be entirely at the Lessee's risk and expense and shall be arranged by the Lessor on behalf of and as agent for the Lessee in a manner and upon terms and conditions according to the Lessee's written instructions and, to the extent such instructions are not provided, according to the Lessor's sole discretion but still at the Lessee's risk and expense. The Lessee hereby indemnifies and covenants to save harmless the Lessor from and against all claims and liabilities howsoever arising out of or in connection with such order, delivery and installation including but not limited to delays in or refusal to accept delivery.
6. **TITLE.** The Lessor shall at all times have and retain whatever title to the Collateral is acquired by the Lessor from the seller or manufacturer of the Collateral. The Lessee shall have no right, title or interest in the Collateral other than the right of possession and use in accordance with the terms hereof and the right conferred by paragraph 15 hereof. The Lessee acknowledges that the Collateral is and shall remain personal or movable property.
7. **WARRANTIES.** Lessee has selected the Collateral and the seller thereof. Lessee acknowledges that the Lessor has made no representation or warranty with respect to the Collateral, its condition, design, durability, operation, suitability or fitness for the use intended by the Lessee, its freedom from liens and encumbrances, the Lessor's good title thereto, or as to any other matter or thing whatsoever and all warranties whether express or implied are, to the extent permitted by law, hereby excluded. Lessee shall unconditionally and without set-off or compensation pay the rent stipulated in each Schedule even if the Collateral does not operate as intended by the Lessee, or at all, or as represented by the manufacturer or the seller or the Collateral operates or fails to operate or performs in a manner that could give rise to a fundamental breach of contract or is unacceptable for any other reason whatsoever. Lessor shall not be liable to the Lessee for any loss, cost, damage or expense of any kind or nature caused directly or indirectly by the Collateral or the use, ownership or maintenance thereof or for any loss of business or other damages whatsoever and howsoever caused. Lessor hereby assigns to Lessee for the term hereof only all assignable rights under any warranty given to the Lessor by the seller or manufacturer of the Collateral, and at Lessee's expense, agrees to co-operate reasonably with Lessee in the enforcement of any such warranties.
8. **REPAIRS.** The Collateral shall be at the risk of the Lessee who shall maintain, repair, overhaul, service and keep the Collateral in a good and substantial manner and shall maintain the Collateral in a condition equivalent to its condition at the commencement of this lease, fair wear and tear only excepted and in a fully operative condition in conformity with any recommendations for maintenance or otherwise which may from time to time be made by any manufacturer or seller of the Collateral and in conformity with all applicable laws, orders, rules, regulations and directives of any government departments, boards or authorities. In the event of loss, damage or destruction to or of the Collateral, Lessee shall immediately give notice to the Lessor of such loss, damage or destruction and Lessee shall at the Lessor's option forthwith repair or replace the Collateral with similar equipment of equivalent value. All parts, mechanisms and devices added to the Collateral whether by way of repair, alteration, addition or improvement shall immediately become property of Lessor and part of the Collateral for all purposes hereof.

9. **INSURANCE.** Lessee shall obtain, and maintain for the entire term of this lease, at its own expense, property damage and liability insurance and insurance against loss or damage to the Collateral including without limitation, loss by fire, (including extended coverage) theft, collision and such other risks of loss as are customarily covered by insurance on the type of Collateral leased hereunder and by prudent operators of businesses similar to that in which Lessee is engaged, in such amounts, in such form and with such insurers as shall be satisfactory to Lessor. The amount of insurance covering damage to or loss of the Collateral shall not be less than the greater of the full replacement value of the Collateral or the installments of rent then remaining unpaid hereunder. Each insurance policy will name Lessee and Lessor as insureds, will name Lessor as loss payee thereof, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof. Lessee shall furnish to Lessor a certificate of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however that Lessor shall be under no duty either to ascertain the existence of or to examine such insurance policy or to advise Lessee in the event such insurance coverage shall not comply with the requirements hereof. Lessee further agrees to give Lessor prompt notice of any damage to or loss of the Collateral or any part thereof. Lessee will at its expense make all proofs of loss and take all other steps necessary to recover insurance benefits, unless advised in writing by Lessor that Lessor desires so to do, at Lessee's expense. Proceeds of insurance will be disbursed by Lessor against satisfactory invoices for repair or replacement of Collateral, provided this lease not then be in default. Performance by Lessee under this paragraph will not affect or release Lessee's obligations and liabilities herein elsewhere provided.
10. **LESSEE'S COVENANTS.** The Lessee covenants with the Lessor:
- (a) that the Lessor or its agents shall have the right at all reasonable times to fully inspect the Collateral and any parts thereof, or any documents relating thereto, to determine the condition of the Collateral, and to further determine whether or not the Lessee is performing according to the covenants and conditions herein contained or for any other purpose;
 - (b) to operate, use and maintain the Collateral at all times and to maintain all records, logs and other materials in conformity with all the applicable laws, orders, rules, regulations and directives of governmental departments, boards or authorities, and in conformity with any limitations or restrictions of performance or any published instructions and specifications which may from time to time be recommended by the manufacturers or sellers of the Collateral;
 - (c) not to use or operate the Collateral or permit it to be used or operated illegally or contrary to any applicable laws, regulations, orders, rules or directives of any power or government or agency thereof having jurisdiction, or contrary to any terms of any insurance policy in force in connection with the Collateral or in any way other than in a careful and prudent manner and to indemnify and hold the Lessor harmless from and against any and all actions, claims, demands, prosecutions, administrative proceedings and any similar assertions or threats in any way arising out of the custody, use, or operation of the Collateral during the term of this lease, and to assume liability and pay for any and all transgressions, defaults, fines, penalties or forfeitures incurred, suffered or assessed against the Lessor or the Lessee during the term of the lease together with all legal fees, costs and expenses incidental to the foregoing to the complete exoneration of the Lessor;
 - (d) to cause the Collateral to be operated only by competent and qualified operators;
 - (e) to keep the Collateral free and clear of all seizures, forfeitures, liens, claims, privileges, debts, taxes, charges, pledges, encumbrances or adverse claims of any nature whatsoever;
 - (f) to pay, when due, all license fees and other fees and assessments necessary for the securing of licenses, or other similar permits for the operation of the Collateral and, further, to pay, when due, and/or indemnify the Lessor from all taxes, fees, assessments or other levies now and hereafter imposed by any provincial, federal or local government upon the Collateral, or upon the delivery, purchase, leasing, use, ownership, operation, possession, sale or return thereof, whether assessed to the Lessor or to the Lessee; provided that upon payment of such fees, assessments, taxes or levies, the Lessee will immediately deliver the receipts for such payments to the Lessor, and that if the Lessor pays (which it may, but is not obliged to do) any sum or sums which is an obligation of the Lessee under this lease, then the amount of such payments shall be forthwith payable by the Lessee to the Lessor and if not so paid shall bear interest from the date such payment is due at the Prime Rate plus 3% per annum calculated and compounded monthly;
 - (g) to furnish at its own cost and expense all fuel, oils, lubricants and other material necessary for the operation and maintenance of the Collateral;
 - (h) to indemnify and save the Lessor harmless from and against all costs, claims, demands, expenses, liabilities, awards, actions and causes of action for loss or damage or injury (including death) of persons or property or of any other nature and kind whatsoever arising from this lease or in any way relating to the use, operation or ownership of the Collateral during the term of this lease and whether caused by Lessee's negligence or otherwise including without limitation, the manufacture, selection, purchase, character, safety, condition, delivery, refusal by the Lessee to accept delivery, possession, operation, sale, storage or return of the Collateral; and that the Lessor shall not be responsible to the Lessee for any loss of use of the Collateral or any part thereof during the term of the lease whatever may be the cause of such loss of use;
 - (i) to place such insignia, plates or other identification on the Collateral or any part thereof showing Lessor's title thereto as Lessor may from time to time request at Lessee's expense and if placed, the Lessee shall not remove, conceal or alter the same;
 - (j) that the Lessee will not without the prior written consent of the Lessor, sublet or otherwise relinquish possession (except for required or scheduled maintenance or as otherwise permitted pursuant to this lease) of the Collateral or any part thereof, or assign any of its rights hereunder;
 - (k) to execute all such further documents and do all such further acts and things as the Lessor may reasonably require for the purpose of registering this lease at any registries or offices of governmental departments, boards or authorities, domestic or foreign, so as to evidence and/or protect the interest of the Lessor in the Collateral and this lease;
 - (l) not to claim or attempt to claim capital cost allowance in respect of the Collateral;
 - (m) to pay any and all reasonable costs of the Lessor (including legal fees and disbursements on a solicitor and own client basis) in:
 - (i) considering and granting any waivers and consents required to be given under this lease; and
 - (ii) any action or consideration required by the Lessor relating to any option granted herein; and
 - (iii) any action or consideration required in respect of any insurance claim;
 - (iv) inspecting the Collateral, investigating title to the Collateral, negotiating and preparing all documentation in connection with this lease, registering or perfecting this lease or the Lessor's interests herein at all offices of public record and all renewals and amendments of the same, taking, recovering and keeping possession of the Collateral, and any other proceedings taken in connection with or to enforce the provisions of this lease.
 - (n) that the Lessee will not change its name or enter into any amalgamation agreement, merger or other corporate proceedings whereby its name shall change without providing the Lessor with at least 30 days' prior written notice of any such change of name;
 - (o) to deliver to the Lessor within 120 days after the end of each of its fiscal years the consolidated balance sheet and income statement of Lessee for such year.

11. **RETURN OF COLLATERAL.** Upon termination of this lease, the Lessee shall, at its own expense and in a prudent manner, immediately return the Collateral free of all liens, encumbrances and adverse claims of every nature to the Lessor at such location as the Lessor shall designate and in the same condition as at the commencement of this lease, fair wear and tear excepted. Provided that the Lessor may, by notice given to the Lessee on or prior to the termination of this lease, require the Lessee at its expense to dispose of the Collateral upon termination in such manner as the Lessor may reasonably request.
12. **DEFAULT.** The occurrence or happening of any one or more of the following events shall constitute an event of default:
- (a) the Lessee shall fail to make any rent payment or other payments required hereunder when due and such failure shall continue unremedied for a period of 20 days after written notice by Lessor; or
 - (b) the Lessee removes the Collateral from its place of location stated on the Schedule without the Lessor's prior written consent; or
 - (c) the Lessee parts with possession of the Collateral; or
 - (d) the Lessee purports to sell, assign, transfer, sublet, pledge, hypothecate or otherwise suffer a lien, encumbrance or other adverse claim of any kind upon or against any interest in this lease or the Collateral without the Lessor's prior written consent; or
 - (e) the Collateral is put to abnormal use likely to result in accelerated depreciation; or
 - (f) the Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure shall continue unremedied for a period of 20 days after written notice thereof by Lessor; or
 - (g) any representation or warranty made by Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto shall prove to be incorrect at any time in any material respect; or
 - (h) the Lessee or any Indemnifier shall become insolvent or bankrupt or make an assignment for the benefit of creditors or consent to the appointment of a trustee or receiver; or a trustee or a receiver shall be appointed for Lessee or any Indemnifier or for a substantial part of any of their property without consent and shall not be dismissed within a period of 30 days; or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee or any Indemnifier and if instituted shall not be dismissed within a period of 30 days; or
 - (i) if the Collateral or any material part thereof is seized under legal process, confiscated, sequestered or attached or if a distress is levied thereon; or
 - (j) if Lessee or any Indemnifier is a corporation and
 - (i) the control or beneficial ownership thereof changes from that which existed at the date of execution of this lease;
 - (ii) any special resolution is passed or other proceedings taken regarding the wind-up of the corporation;
 - (iii) it ceases to carry on the business presently conducted by it; or
 - (k) the Lessee or any Indemnifier shall suffer the loss or suspension of any licences, permits, or other operating authorities required for the present operation of its business or any part of it; or
 - (l) the Lessee defaults under any other agreement to which Lessee and Lessor are parties or any Indemnifier defaults under any other agreement to which any Indemnifier and the Lessor are parties; or
 - (m) if the Lessor in good faith believes and has commercially reasonable grounds to believe itself insecure or that the prospect of payment or performance by the Lessee hereunder is about to be impaired or that the Collateral is or is about to be placed in jeopardy.
- For greater certainty, it is understood and agreed that if any such default shall occur in respect of any Schedule hereunder, such default shall at the option of the Lessor be deemed to be a default under any or all other Schedules hereunder.

13. **REMEDIES ON DEFAULT.** Upon the occurrence of an event of default the Lessor may:

- (a) take possession of the Collateral and for that purpose enter any premises where the Collateral is located whether or not the Collateral is affixed to any such premises, and sell, lease or otherwise dispose of the Collateral by public or private means and upon such terms and consideration as the Lessor may in its sole discretion accept. Without limiting the generality of the foregoing, the Lessor shall have the right to dispose of the Collateral where the payment for such is deferred provided that the Lessee will not be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received. The Lessee hereby waives any damages or claim to damages arising from any retaking of possession under the terms of this lease; or
 - (b) in the name of and as the irrevocably appointed agent and attorney for Lessee and without terminating or being deemed to have terminated this lease take possession of the Collateral and proceed to lease the Collateral to any other person, firm or corporation on such terms and conditions, for such rental and for such period of time as Lessor may deem fit and receive such rental and hold the same and apply the same against any monies expressed to be payable from time to time by Lessee hereunder; or
 - (c) terminate this lease and by written notice to Lessee require Lessee to forthwith pay to Lessor on the date specified in such notice, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty the present worth of the aggregate of all unpaid amounts due hereunder as rental or otherwise to the expiration of the term of the lease (as if the lease had not been terminated) calculated by discounting such amounts at 5% per annum compounded monthly less the net amount received by Lessor on any sale, lease or other disposition of the Collateral after deducting all costs and expenses including legal fees and disbursements on a solicitor and own client basis.
- No one or more of the remedies referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedies referred to herein or otherwise available to the Lessor at law or in equity, and in particular pursuant to the Personal Property Security Act of any Province or Territory in Canada in force or to come into force from time to time as the same may be proclaimed in force, amended or replaced by similar legislation from time to time. If upon any disposition of the Collateral under the provisions of this lease or under the provisions of any other remedies so available to the Lessor there shall be any surplus, such surplus shall be the sole and absolute property of the Lessor.

14. **WAIVER/SEVERABILITY.** Any provision of this lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof and any such prohibition in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Lessee, if a corporation, agrees that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this lease or any agreement or instrument renewing or extending or collateral to this lease and the Lessee acknowledges that seizure or repossession of the Collateral shall not by implication of law extinguish the Lessee's indebtedness under this lease or other collateral security.

15. **OPTION TO PURCHASE.** Provided the Lessee shall not be in default under any obligation on its part hereunder, the Lessor hereby grants to the Lessee an option to purchase the Lessor's interest in the Collateral herein for the purchase price and at the time set forth in the Schedule or Schedules attached hereto. The option granted herein shall be exercised by the Lessee giving the Lessor written notice of its intention to exercise the option at least 30 days prior to the time set forth in the Schedule. The time set forth in the Schedule shall be the time for the conclusion of the sale, and on that date the Lessee, having exercised such option, shall pay the purchase price to the Lessor and the Lessor shall transfer its interest in the Collateral to the Lessee whereupon this lease shall cease with respect to such Collateral. The Lessee shall pay any and all Provincial or Federal taxes, licence or registration fees or other fees, costs or charges payable in respect of the Collateral and in connection with any said sale and purchase. The bill of sale or sale agreement from the Lessor to the Lessee shall contain no warranties on the part of the Lessor either express or implied, except that the Lessor shall warrant that it has done no act or created any security interest in the Collateral which would adversely affect the title thereto.

- 16. **INDEMNITIES SURVIVE.** The indemnities provided by the Lessee to the Lessor under this lease, and in particular those under paragraphs 5 and 10 shall survive and continue in full force and effect after termination of this lease, in whole or in part, whether by effluxion of time or otherwise, or the release or discharge from this lease of any Collateral, or the sale or disposition of the Collateral or the release or discharge of the Lessee to pay any rental payments, or as to any act, matter or thing which shall have been done or have occurred or arisen prior to such termination, release or discharge.
- 17. **ENTIRE AGREEMENT.** This lease together with each schedule and any purchase authority, purchase order, delivery and/or installation receipt and indemnity given with this lease constitutes the entire agreement between the parties.
- 18. **NON CANCELLABLE LEASE.** This lease cannot be cancelled or terminated except as expressly provided herein.
- 19. **PURCHASE MONEY SECURITY INTEREST AND PROCEEDS.** This lease grants to the Lessor:
 - (a) a Purchase Money Security Interest in the Collateral unless this lease shall constitute a sale and leaseback of the Collateral; and
 - (b) a Security Interest in Proceeds of the Collateral which are all present and after acquired personal property, fixtures and crops, within the meaning of the Personal Property Security Act of any Province or Territory in Canada in force or to come into force from time to time as the same may be proclaimed in force, amended or replaced by similar legislation from time to time.
- 20. **COPY OF AGREEMENT.** The Lessee hereby acknowledges receiving a copy of this lease and waives all rights to receive from the Lessor a copy of any financing statement, financing statement (transition), financing change statement or verification statement filed at any time in respect of this lease.
- 21. **FURTHER ASSURANCES.** The Lessee shall forthwith and from time to time execute all documents and do all acts and things which in the opinion of the Lessor are necessary or desirable to provide continuing rights and priorities in the Collateral, to provide a security interest, a purchase money security interest, and a security interest in proceeds of the Collateral as the case may be.
- 22. **PPSA WORDS AND EXPRESSIONS.** Words and expressions used herein that have been defined in the Personal Property Security Act of any Province or Territory of Canada in force or to come into force from time to time as the same may be amended or replaced by similar legislation from time to time shall be interpreted in accordance with their respective meanings given in any such Act unless otherwise defined herein or unless the context otherwise requires.
- 23. **INDEMNIFIER.** When used in this lease, "Indemnifier" means any individual or corporation which provides any guaranty or indemnity agreement of any kind to the Lessor to secure the obligations of the Lessee to the Lessor.
- 24. **GOVERNING INSTRUMENT.** In the event of any conflict between any provision in this lease and any provision in any Schedule hereto, the provision of such Schedule shall prevail.
- 25. **QUEBEC.** Where this lease is governed by the laws of Quebec, this lease shall be construed as a contract of leasing, governed by articles 1842 to 1850 of the *Civil Code of Quebec*, and
 - (a) for greater certainty, the word "lease" as used herein and in any Schedules or forms related shall be read as "contract of leasing" or "leasing", as the context requires;
 - (b) the security interests granted in sections 1 and 19(b) hereof shall be in the nature of a moveable hypothec for that sum disclosed as the total in item 1 of the Schedule(s) Annexed, with interest at the rate of 24% per annum from the date hereof.
- 26. **MISCELLANEOUS.**
 - (a) The parties agree that time is of the essence hereof and that no waiver by Lessor of any default nor any compromise or extension of payment granted by Lessor shall constitute a waiver of any other default by the Lessee or shall be a waiver of any other right of Lessor.
 - (b) This lease may be amended but only in writing signed by the parties hereto.
 - (c) The captions in this lease are for convenience only and shall not define or limit any of the terms hereof.
 - (d) This lease shall be binding upon and enure to the benefit of the parties hereto, their permitted heirs, executors, administrators, successors and assigns.
 - (e) No one or more of the remedies referred to in this lease shall be exclusive, but each shall be cumulative and additional to any other remedy or remedies referred to herein or available to the Lessor at law or in equity.
 - (f) "Prime Rate" means the floating annual rate of interest established and recorded by HSBC Bank Canada from time to time as a reference rate for purposes of determining rates of interest it will charge on loans denominated in Canadian dollars.
 - (g) Where there shall be more than one Lessee, they shall be jointly and severally bound to the fulfilment of their obligations hereunder.
 - (h) If the context so requires, words importing number shall be deemed to include a greater or lesser number, words importing gender shall be deemed to include the other gender or the body corporate and words importing the body corporate shall be deemed to include either gender.
 - (i) The Lessor and the Lessee confirm that they have expressly required that this lease and all other schedules, purchase orders, notices and documents relating thereto be drafted in English. Le Locateur et le Locataire confirment qu'ils ont expressément exigé que la Convention de Bail d'Équipement Principale et tous les annexes, bons de commande, avis et documents y afférents soient rédigés en anglais.

Executed this 3RD day of JUNE, 2005

By execution hereof, the signer hereby certifies that he has read this lease, and that he is duly authorized to execute this lease on behalf of Lessee.

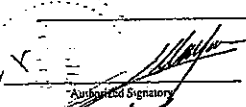



Lessee	<u>Ellen's Food Group Inc.</u>	CS	Lessor	<u>HSBC Bank Canada</u>
By		Title <u>PRESIDENT</u>	By	
		Title <u>SECRETARY</u>		
	Authorized Signatory			Authorized Signatory
				Senior Account Manager
				AVP Regional Leasing

EXHIBIT “C”

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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

REPORT : PSSR060
PAGE : 1
(10589)

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

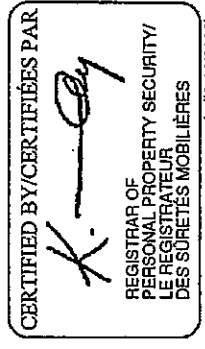
SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.

FILE CURRENCY : 24NOV 2010

ENQUIRY NUMBER 20101125163018.77 CONTAINS 33 PAGE(S), 13 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 FINNICAN (MCROBERTS) (DN)
3200 100 WELLINGTON STREET WEST
TORONTO ON M5K 1K7



TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.
FILE CURRENCY : 24NOV 2010

FOR THE FINANCING STATEMENT CLAIM FOR LIEN

00 FILE NUMBER
655477299

01 DEBITOR PAGE TODAY MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILE NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20090810 1453 1530 2370 P PPSA 5

02 DEBTOR NAME BUSINESS NAME INITIAL SURNAME
03 ELLEN'S FOOD GROUP INC.

04 ADDRESS ADDRESS 25 CENTURIAN DR. STE 203 MARKHAM
DATE OF BIRTH DATE OF BIRTH INITIAL SURNAME
05 BUSINESS NAME BUSINESS NAME
06 ADDRESS ADDRESS

07 SECURTY PARTY ALLEN CLAIMANT ROYAL BANK OF CANADA
ADDRESS ADDRESS 180 WELLINGTON ST W BSC 3RD FL TORONTO

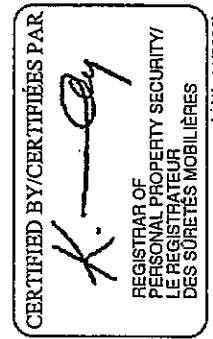
08 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. BIKED
09 CROBS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MANUFACTURE OR MAJORITY DATE

10 YEAR MAKE MODEL
11 MOTOR VEHICLE

12 COLLATERAL COLLATERAL
13 COLLATERAL COLLATERAL
14 COLLATERAL COLLATERAL
15 COLLATERAL COLLATERAL

16 REGISTERING AGENT
17 ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24 NOV 2010

REGISTRATION CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
PAGE NO. OF PAGE SCHEDULE NUMBER UNDER
001 2 20091120 1320 6005 5787
21 RECORD FILE NUMBER 655477299
22 REFERENCED PAGE NUMBER NON-SPECIFIC PAGE NUMBER CHANGE ACQUIRED RENEWAL CORRECT
E TRANSFER YEARS PERIOD

23 BUSINESS NAME ELLEN'S FOOD GROUP INC.
24 FIRST GIVEN NAME INITIAL SURNAME

25 OTHER CHANGE
26 PERSON
27 DESCRIPTION
28 PART OF BIRTH INITIAL SURNAME

02/ COMPANY ELLEN'S HEALTH FOOD LTD.
05 TRANSFEREE BUSINESS NAME
03/ ADDRESS 25 CENTURIAN DRIVE, SUITE 203 MARKHAM
06 ONTARIO CORPORATION NO. L3R 5N8

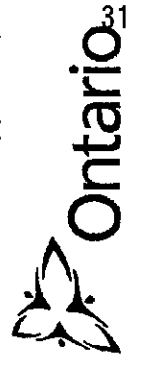
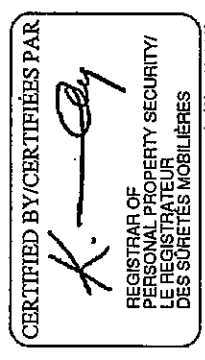
29 MASS GROSS SECURED PARTY/ITEM CLAIMANT/ASSIGNEE
08 ADDRESS
09 COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE NO. EXEMPTED
GOODS FINANCIAL INSTRUMENT ACCOUNTS OTHER INCLUDED AMOUNT MONTHLY OR YEARLY PAID
YEAR MAKE MODEL YEAR

11 MOTOR VEHICLE
12 VEHICLE
13 SERIAL
14 COGNATE
15 DESCRIPTION
16 RECEIVING AGENT OF
17 SECURED PARTY ADDRESS TORONTO M5J 1J1
ROYAL BANK OF CANADA 81370-14362
180 WELLINGTON ST W, 5TH FLOOR

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

CONTINUED . . . 4



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

FORM 36 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION	PAGE	TOTAL MOTOR VEHICLE	REGISTRATION	REGISTERED	CORRECT
RECALL	NO. OF	SALES	NUMBER	UNDER	PERIOD
FILE NUMBER	2	SCHEDULE	20091120 1320 6005 5787		
01	002				
21	655477299				
22					
23					
24					
25					
26					
27					
28					
02/					
05					
03/					
06					
04/07					

ON L3R 5N8

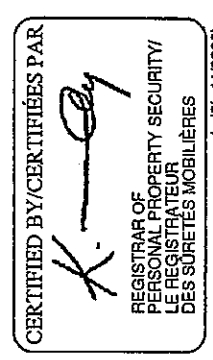
ASSIGNOR
SECURED PARTY/LEASER/CHARTER/ASSIGNEE
ADDRESS
25 CENTURIAN DRIVE, SUITE 203
MARKHAM

VEHICLE IDENTIFICATION
ADDRESS
NO. EXEMPT
AMOUNT APPLICABLE OR MATURITY DATE

10
11
12
13
14
15
16
17

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED...



(e/21 1/2008)



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PPSR060
PAGE : 5
(10593)

TYPE OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
FILE CURRENCY: 24NOV 2010

FORM IC FINANCING STATEMENT / CLAIM FOR BIEN

00 FILE NUMBER
649571355

01 CAUTION PAGE TOTAL REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20081029 1444 6005 0514 P PPSA 10

02 DEBTOR NAME: ELLEN'S FOOD GROUP INC.
03 BUSINESS NAME: ELLEN'S FOOD GROUP INC.
04 ADDRESS: 30 SIMS COURT RICHMOND HILL ON L4B 2N9
FIRST GIVEN NAME: [REDACTED] SURNAM: [REDACTED]
DATE OF BIRTH: [REDACTED] FEDERAL: [REDACTED]
ONTARIO CORPORATION NO.: [REDACTED]

05 DEBTOR NAME: [REDACTED]
06 BUSINESS NAME: [REDACTED]
07 ADDRESS: [REDACTED] ONTARIO CORPORATION NO.: [REDACTED]

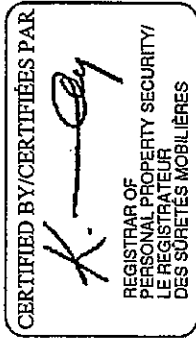
08 DEBTOR NAME: [REDACTED]
09 ADDRESS: [REDACTED] TORONTO ON M5J 1J1

10 CONSULAR CERTIFICATION: [REDACTED]
CONSUMER: [REDACTED] DATE OF: [REDACTED]
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED: [REDACTED] MATHELY OR MATHELY PAYE: [REDACTED]

11 MOTOR VEHICLE: [REDACTED] MOD: [REDACTED]
12 YEAR MAKE: [REDACTED] MOD: [REDACTED]

13 GENERAL DESCRIPTION: [REDACTED]
14 GENERAL DESCRIPTION: [REDACTED]
15 GENERAL DESCRIPTION: [REDACTED]

16 REGISTRAR'S ADDRESS: [REDACTED]
17 ADDRESS: [REDACTED]



CONTINUED... 6

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 6
(10594)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24 NOV 2010

FORM PC PERMANENT CHANGE STATEMENT / CHANGE STATEMENT

COLLATION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
STATUS NO. OF PAGES SCHEDULE NUMBER UNDER

01 001 2 20091120 1318 6005 5786

21 RECORD NUMBER 649571355

PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGES REQUIRED
E TRANSFER

22 FIRST GIVEN NAME INITIAL SURNAME

23 BUSINESS NAME ELLEN'S FOOD GROUP INC.

25 OTHER CHANGE
26 REASON FOR
27 SPECIFICATION

02/ FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR ELLEN'S HEALTH FOOD LTD.
03/ BUSINESS NAME
06 ADDRESS 25 CENTURIAN DRIVE, SUITE 203 MARKHAM

ON L3R 5N8

29 SECURED PARTY ALLEN CARMAN ASSOCIATE

08 ADDRESS

09 ADDRESS

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF NO. TYPED
CONSUMER ACCOUNTS OTHER ENCLOSED AMOUNT MONTHLY OR MONTHLY DUES
GOODS INVENTORY EQUIPMENT

11 MOTOR

12 TYPE

13 GENERAL

14 COMMERCIAL

15 DESCRIPTION

16 SECURED PARTY ADDRESS

17 DEBTOR ADDRESS

ROYAL BANK OF CANADA 81370-14362
180 WELLINGTON ST W, 5TH FLOOR

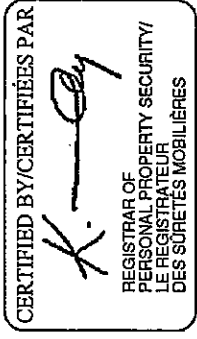
TORONTO

ON M5J 1J1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED...

7



(of 2/ 11/2008)



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : P5SR060
PAGE : 7
(10595)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24 NOV 2010

FORM 7C FINANCING CHARGE STATEMENT / CHANGE STATEMENT

CARLTON PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FINANCING NO. OF PAGES SCHEDULES NUMBER UNDER

01 002 2 20091120 1318 6005 5786

21 REGISTRATION NUMBER 649571355

RENEWAL PERIOD

PAGES AMENDED NO SPECIFIC PAGE NUMBERS CHANGE REQUIRED

REGISTRATION NUMBER

REGISTRATION NUMBER

BUSINESS NAME

25 OTHER CHANGE

26 REASON/DESCRIPTION

02/ DATE OF REGISTRATION

REGISTRATION NUMBER

REGISTRATION NUMBER

05 DEBTOR/BUSINESS NAME SUNNY MEAT MARKET

REGISTRATION NUMBER

03/ TRANSFEREE ADDRESS 25 CENTURIAN DRIVE, SUITE 203

MARKHAM

ON L3R 5N6

29 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

08 REGISTRATION NUMBER

09 ADDRESS

10 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

11 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

12 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

13 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

14 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

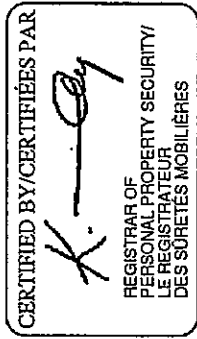
15 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

16 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

17 MOTOR VEHICLE SECURED PARTY/LEASING CLAIMANT/ASSIGNEE

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

CONTINUED...



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 8
(10596)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

PROPERTY FINANCING STATEMENT CLAIM FOR ELLEN

FILE NUMBER
648770886

00 CAUTION PAGE NO. 01
01 REGISTRATION NO. OF PAGES 001
20080924 1946 1531 7280 P PFSA 6

02 DEBTOR NAME ELLEN'S FOOD GROUP INC
03 BUSINESS NAME ELLEN'S FOOD GROUP INC
04 ADDRESS 25 MIDWEST ROAD SCARBOROUGH ON M1P 3A6

05 DEBTOR NAME ELLEN'S FOOD GROUP INC.
06 ADDRESS 30 SIMS CRESCENT RICHMOND HILL ON L4B 2N9

08 SECURED PARTY ELLEN CHALMANT
09 ADDRESS 70 YORK STREET 3RD FLOOR TORONTO ON M5J 1S9

10 COLLATERAL DESCRIPTION
CONSUMER GOODS INVENTORY ACCOUNT'S OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF PURCHASE OR MATURITY DATE
X X

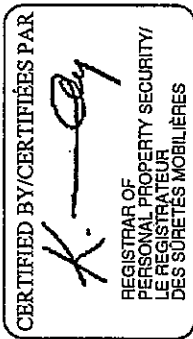
11 YEAR MAKE MOBILE
12 MOTOR MAKE MOBILE

13 GENERAL COLLATERAL DESCRIPTION
14 RISK SHARING

16 RISK SHARING AGENT
17 CANADIAN SECURITIES REGISTRATION SYSTEMS
SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED . . . 9



(e/11/11/2008)



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : P8SR060
PAGE : 9
(10597)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON ELLEN'S FOOD GROUP INC.
FILE CURRENCY 24 NOV 2010

FORM I.C. FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
646876701

CAUTION PAGE 01 OF 003
REGISTRATION NUMBER 20080714 1041 1529 3421 P PPSA 4

00 01 003
DATE OF BIRTH
BUSINESS NAME
ADDRESS
20080714 1041 1529 3421 P PPSA 4
INITIAL SURNAME
ELLEN'S FOOD GROUP INC
25 CENTURIAN DR
MARKHAM
ON L3R 5N8

02 03 04
DEBTOR NAME
ADDRESS
ELLEN'S FOOD GROUP INC
25 CENTURIAN DR
MARKHAM
ON L3R 5N8

05 06 07
DEBTOR NAME
ADDRESS
ELLEN'S FOOD GROUP INC
25 CENTURIAN DR
MARKHAM
ON L3R 5N8

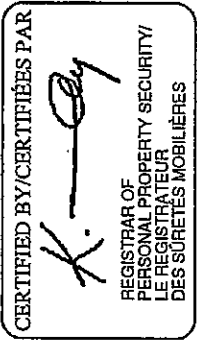
08 09
REGISTERED PARTY
ADDRESS
ELLEN CHARTAKI
DCFS CANADA CORP.
2680 MATHESON BLVD. E, STE 500
MISSISSAUGA
ON L4W 0A5

10
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY REQUIREMENTS OTHER INCLUDED
VEHICLE AMOUNT DATED OR MATURITY OR VALIDITY DATE
X X X
YEAR MAKE
2008 MERCEDES-BENZ
WDDNF84X28A233190

11 12
VEHICLE
DESCRIPTION
2008 MERCEDES-BENZ
WDDNF84X28A233190

13 14 15
GENERAL COLLATERAL DESCRIPTION
CANADIAN SECURITIES REGISTRATION SYSTEMS
4126 NORLAND AVENUE
BURNABY
BC V5G 3S8

16 17
REGISTRAR AGENT
FOR FURTHER INFORMATION CONTACT THE REGISTRAR
CONTINUED... 10



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

NAME OF BRANCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.
FILE CURRENT : 24NOV 2010

FORM 2 FINANCING STATEMENT CLAIM FOR TFRN

00 FILE NUMBER : 646876701

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
REGISTRATION NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD 20080714 1041 1529 3421

02 DEBTOR NAME : YUK FIRST GIVEN NAME : YUK SURNAME : PUN ONTARIO CORPORATION NO : ON L4G 7C5

03 DATE OF BIRTH : 12APR1957 BUSINESS NAME : 13779 LESLIE ST AURORA

04 DEBTOR NAME : YUK FIRST GIVEN NAME : YUK SURNAME : PUN ONTARIO CORPORATION NO : ON L4G 7C5

05 DEBTOR NAME : YUK FIRST GIVEN NAME : YUK SURNAME : PUN ONTARIO CORPORATION NO : ON L4G 7C5

06 DATE OF BIRTH : 12APR1957 BUSINESS NAME : 13779 LESLIE ST AURORA

07 DEBTOR NAME : YUK FIRST GIVEN NAME : YUK SURNAME : PUN ONTARIO CORPORATION NO : ON L4G 7C5

08 SECURED PARTY / LEND CLAIMANT : MERCEDES-BENZ FINANCIAL 2680 MATHESON BLVD. E, STE 500 MISSISSAUGA ON L4W 0A5

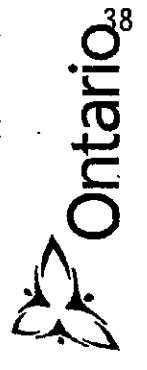
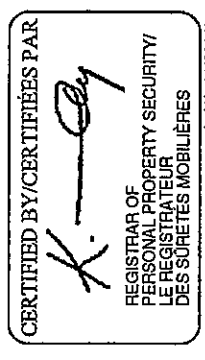
09 COLLATERAL CLASSIFICATION : CONSUMER MOTOR VEHICLE AMOUNT : DATE OF MATURITY OR MATURITIES DATE

10 GOODS INVENTORY EQUIPMENT ACCOUNT OTHER INCLUDED : MODEL : YEAR MAKE : ADDRESS

11 GENERAL COLLATERAL DESCRIPTION : ADDRESS

12 REGISTERING AGENCY : ADDRESS

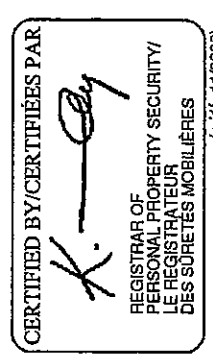
13 FOR FURTHER INFORMATION CONTACT THE SECURED PARTY



TYPE OF SEARCH: BUSINESS DEBTOR
 SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
 FILE CURRENCY: 24NOV 2010

WORKING FINANCING STATEMENT / STATE FOR LIEN

00	FILE NUMBER	546876701
01	CAUTION	03 003 20080714 1041 1529 3421
02	DEBTOR NAME	YUK
03	DATE OF BIRTH	12APR1957
04	ADDRESS	13779 LESLIE ST AURORA
05	DATE OF BIRTH	12APR1957
06	ADDRESS	13779 LESLIE ST AURORA
08	REGISTERED PARTY	
09	ADDRESS	
10	GENERAL CLASSIFICATION	
11	YEAR	
12	MAKE	
13	GENERAL COLLATERAL	
14	CLASSIFICATION	
15	DESCRIPTION	
16	REGISTRATION	
17	AGENT	



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24 NOV 2010

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
644553099

CAUTION PAGE TOTAL MONO WHICH REGISTRATION HAS BEEN REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER INDEX PERIOD
01 001 20080425 1450 1530 6213 P PPSA 6

DEBTOR NAME ELLEN'S FOOD GROUP INC. SCARBOROUGH ON M1P 3A6
BUSINESS NAME ELLEN'S FOOD GROUP INC.
ADDRESS 245 MIDWEST ROAD
DATE OF BIRTH FIRST GIVEN NAME SURNAME
BUSINESS NAME ELLEN'S FOOD GROUP INC.
ADDRESS 30 SIMS CRESCENT RICHMOND HILL ON L4B 2N9

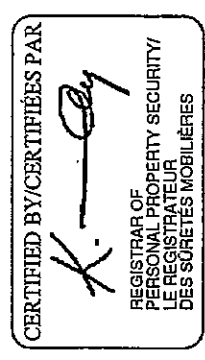
DEBTOR NAME ELLEN'S FOOD GROUP INC.
ADDRESS 70 YORK STREET 3RD FLOOR TORONTO ON M5J 1S9
SECURER PARTY ELLEN'S FOOD GROUP INC.
LEAS CLAIMANT HSBC BANK CANADA
ADDRESS 30 SIMS CRESCENT RICHMOND HILL ON L4B 2N9

COLLATERAL CLASSIFICATION X
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FILED
GOODS INVENTORY EQUIPMENT ACCIDENTS OTHER ENCLIBED MATURITY OF MATURITY DATE

SECURITY MARKS X
SECURITY MARKS X
SECURITY MARKS X
SECURITY MARKS X
SECURITY MARKS X
SECURITY MARKS X

REGISTRATION AGENT
CANADIAN SECURITIES REGISTRATION SYSTEMS
SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY
CONTINUED... 13



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.
FILE CURRENTLY : 24NOV 2010

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 643196286

REGISTRATION FILING NO. OF PAGES : 01 001
TOTAL PAGES : 001
REGISTRATION NUMBER : 20080306 1949 1531 8811 P PPSA 6

DATE OF BIRTH : [REDACTED]
FIRST GIVEN NAME : [REDACTED]
SURNAME : [REDACTED]
BUSINESS NAME : ELLEN'S FOOD GROUP INC.
ADDRESS : 245 MIDWEST ROAD
SCARBOROUGH ON M1P 3A6

DATE OF BIRTH : [REDACTED]
FIRST GIVEN NAME : [REDACTED]
SURNAME : [REDACTED]
BUSINESS NAME : ELLEN'S FOOD GROUP INC.
ADDRESS : 30 SIMS CRESCENT
RICHMOND HILL ON L4B 2N9

DATE OF BIRTH : [REDACTED]
FIRST GIVEN NAME : [REDACTED]
SURNAME : [REDACTED]
BUSINESS NAME : HSBC BANK CANADA
ADDRESS : 70 YORK STREET, 3RD FLOOR
TORONTO ON M5J 1S9

COLLATERAL CLASSIFICATION : CONSUMER
GOODS INVENTORY FOR LIENMENT ACCOUNTS OTHER THAN VEHICLE AMOUNT : [REDACTED] DATE OF MATURITY : [REDACTED]
X X

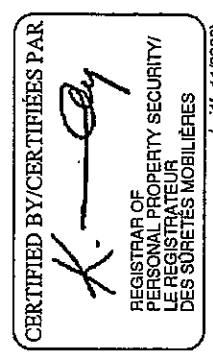
YEAR MAKE : [REDACTED]
MODEL : [REDACTED]

GENERAL COLLATERAL DESCRIPTION : CANADIAN SECURITIES REGISTRATION SYSTEMS
ADDRESS : SUITE 180-13571 COMMERCE PARKWAY
RICHMOND BC V6V2L1

REGISTERING AGENT : [REDACTED]

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED ... 14



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 14
(10602)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.
FILE CURRENCY : 24 NOV 2010

FORM 13 FINANCING STATEMENT / CLAIM FOR ELLEN

FILE NUMBER
63763/148

00 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILE NO. OF ENTRIES SCHEDULE NUMBER UNDER PERIOD
01 01 001 20070726 1453 1530 9195 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ELLEN'S HEALTH FOOD LTD. SCARBOROUGH

04 ADDRESS 245 MIDWEST ROAD ON M1P 3A6
BUSINESS ADDRESS ON M1P 3A6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ELLEN Y PUN SCARBOROUGH

07 ADDRESS 245 MIDWEST ROAD ON M1P 3A6
BUSINESS ADDRESS ON M1P 3A6

08 SECURED PARTY / HSBC BANK CANADA TORONTO M5J 1S9
09 ADDRESS 70 YORK STREET 3RD FLOOR ON M5J 1S9

10 COLLATERAL CLASSIFICATION X
CONSUMERS' FURNITURE, EQUIPMENT, ACCOUNTS, OTHER INCLUDED MOTOR VEHICLE AMOUNT DATE OF NO. INDEXED
GOODS INVENTORY

11 YEAR MAKE MODEL
12 VEHICLE

13 CREDITORS
14 COLLATERAL
15 DESCRIPTION

16 REGISTRATION AGENT CANADIAN SECURITIES REGISTRATION SYSTEMS
17 ADDRESS SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(e) (tir 11/2008)



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

NUMBER OF SEARCH: BUSINESS DEBTOR
SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
FILE: CURRENCY: 24NOV 2010

FORM PC FINANCING CHANGE STATEMENT / CHANGE STATEMENT

OUT ON PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
FILE NO. OF PAGE(S) SCHEDULE NUMBER UNDER

01 001 20070816 1946 1531 9500

FILE NUMBER: 637637148

PRICE AMENDED: NO SPECIFIC PRICE AMENDED CHANGE REGISTERED
X A AMENDMENT

FIRST GIVEN NAME: INITIAL SURNAME

BUSINESS NAME: ELLEN'S HEALTH FOOD LTD.

OTHER CHARGE: ADD DEBTOR

DATE OF BIRTH: INITIAL SURNAME

DEBTOR'S BUSINESS NAME: ELLEN'S HEALTH FOOD LTD.

ADDRESS: 30 SIMS CRESCENT

CITY: RICHMOND HILL

PROVINCE: ON

POSTAL CODE: L4B 2N9

REGISTRATION CLASSIFICATION: MOTOR VEHICLE

DATE OF ACQUISITION: DATE OF NO. 5 EXPIR

YEAR MAKE MODEL

VEHICLE

GENERAL

COLLATERAL

REGISTRATION AGREEMENT

SECURED PARTY/ ADDRESS

SECURED PARTY/ ADDRESS

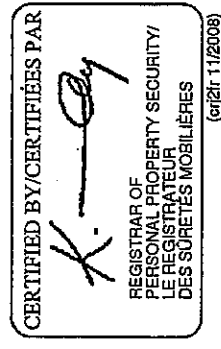
BC V5G 3S8

CANADIAN SECURITIES REGISTRATION SYSTEMS

4126 NORLAND AVENUE

BURNABY BC V5G 3S8

FOR FURTHER INFORMATION CONTACT THE SECURITY



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 16
(10604)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

FORM 36 TRIANGLE CHANGE STATEMENT / CHANGE STATEMENT

CAUTION: PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
BILLING NO. OF PAGES SUBMITTER NUMBER UNDER

01 01 002 20081029 1452 1530 8459

02 637637148

03 PAGES AMENDED: NO SPECIFIC PAGES AMENDED CHANGES ACQUIRED
REASON: X A AMENDMENT

04 FIRST GIVEN NAME INITIAL SURNAME

05 BUSINESS NAME ELLEN'S HEALTH FOOD LTD.

06 OTHER CHANGE AMEND BUSINESS DEBTORS' NAME TO ELLEN'S FOOD GROUP INC.

07 REASON FOR AMENDMENT

08 DATE OF CHANGE

09 BUSINESS NAME ELLEN'S FOOD GROUP INC.

10 ADDRESS 245 MIDWEST ROAD

SCARBOROUGH

ONTARIO CORPORATION NO.
ON MIP 3A6

11 ASSIGNOR SECURED PARTY LEEAN SEAMANT/ASHENB

12 ADDRESS

13 MOTOR VEHICLE REGISTRATION

14 CONVEYER SECURED PARTY LEEAN SEAMANT/ASHENB

15 GOODS INVENTORY ACQUISITION ACCOUNTS OTHER AMOUNT DATE OF NO FIXED

16 MOTOR VEHICLE REGISTRATION

17 MOTOR VEHICLE REGISTRATION

18 CANADIAN SECURITIES REGISTRATION SYSTEMS

19 4126 NORLAND AVENUE

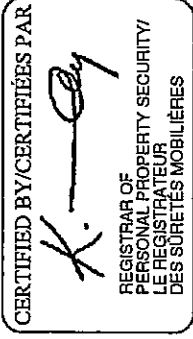
20 BURNABY

21 BC

22 V5G 3S8

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED . . . 17



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 17
(10605)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

FOR P.P.S. FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 SYSTEM PAGE TOTAL MOTOR VEHICLES REGISTRATION REGISTERED
02 02 002 20081029 1452 1530 8459

21 RECORD FILE NUMBER 637637148

RENEWAL CORRECT
YEARS PERIOD

CHANGES REQUIRED

INITIAL SURNAME

23 PERSON'S BUSINESS NAME
24 DRIVER/ TRANSFEROR

25 OTHER CHANGE REASON/ DESCRIPTION

28 DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

ELLEN'S FOOD GROUP INC.

30 SIMS CRESCENT

RICHMOND HILL

ON L4B 2N9

29 ASSIGNOR SECURED PARTY ELLEN'S FOOD GROUP INC.

08 ADDRESS

ADDRESS

09 COLLATERAL CLASSIFICATION CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNT OTHER INCLUDED AMOUNT MAINTENANCE OR VALUING DATE

10 YEAR MAKE MODEL

11 VEHICLE

12 CHASSIS

13 COLLATERAL DESCRIPTION

14 COLLATERAL DESCRIPTION

15 RECEIVING AGENT OF SECURED PARTY ADDRESS

16 RECEIVING AGENT OF SECURED PARTY ADDRESS

17 RECEIVING AGENT OF SECURED PARTY ADDRESS

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTREUR DES SÛRÉTÉS MOBILIÈRES
(c) 2011/2009



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 18
(10606)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH COMPUTED ON ELLEN'S FOOD GROUP INC.
FILE CURRENCY 24NOV 2010

FORM 1 FINANCING STATEMENT / CHARGED FOR LIEN

00
SERIAL NUMBER
630096147

01
CAUTION PAGE 01 001
NO. OF PAGES 01
TOTAL REGISTERATION NUMBER 20061026 1453 1530 9155
REGISTERED REGISTRATION UNDER PERIOD 6
SELLING SCHEDULE

02
DATE OF BIRTH
FIRST GIVEN NAME INITIAL SURNAME

03
BUSINESS NAME
ELLEN'S FOOD GROUP INC. SCARBOROUGH
ADDRESS 245 MIDWEST ROAD ON M1P 3A6

04
DATE OF BIRTH
FIRST GIVEN NAME INITIAL SURNAME

05
DEBTOR NAME
BUSINESS NAME
HSBC BANK CANADA TORONTO
ADDRESS 70 YORK STREET 3RD FLOOR ON M5J 1S9

06
DATE OF BIRTH
FIRST GIVEN NAME INITIAL SURNAME

07
BUSINESS NAME
ADDRESS

08
REGISTERED PARTY / LIEN SEIZURE
ADDRESS
COMMERCIAL GUARANTIGATION
CONSUMER GOODS INVENTORY ACCOUNTS OTHER INCLUDED MOTOR VEHICLES AMOUNT DATE OF NO. INDEXED MATURETY OR MATURITY DATE

09
YEAR MAKE MODEL

10
MOTOR VEHICLE

11
SEARCHED
SERIALIZED
INDEXED
FILED

12
REGISTRATION AGENT
ADDRESS SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

13
REGISTRATION AGENT
ADDRESS

CONTINUED ... 19

CERTIFIED BY/CERTIFIES PAR
K. [Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTREUR DES SURETES MOBILIERES
(e)jfr 11/2008



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

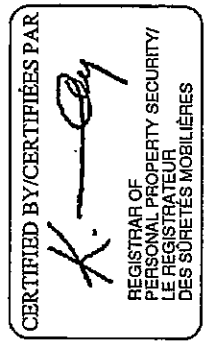
TYPE OF SEARCH
SEARCH CONDUCTED ON
FILE CURRENCY

FORM 9C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01	SECTION	PAGE	CODAL MOTOR VEHICLE REGISTRATION	REGISTERED	
21	FILE NO. OF PAGES	SUBMIT	NUMBER	UNDER	
	01	002	20070816 1456 1530 .6989		
	RECORD NUMBER	630096147			
22	PRECEDENCE	NO SPECIFIC PAGE AMENDED	CHANGE PROVIDED	CORRECT	
		X	A AMENDMENT	PERIOD	
23	PERSONAL	FIRST GIVEN NAME	INITIAL	SURNAME	
24	DEBTOR / TRANSFEROR	ELLEN'S FOOD GROUP INC.			
25	OTHER CHANGE	ADD DEBTORS			
26	REASON / DESCRIPTION				
27					
28					
02/	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	
05		ELLEN'S FOOD GROUP INC.			
03/	TRANSFEREE	30 SIMS CRESCENT			
06		RICHMOND HILL ON L4B 2N9			
04/07		ONTARIO CORPORATION INC.			
29	ASSIGNOR				
08	SECURED PARTY / LENDER / CREDITOR / ASSIGNEE				
09					
10	COLLETERAL CLASSIFICATION				
	NUMBER				
	GOODS				
	INVENTORY ACQUISITION ACCOUNTS				
	OTHER				
	AMOUNT				
	MAINTENANCE				
	DATE OF NO FIXED				
	YEAR				
	MAKE				
	MODEL				
11	MOTOR				
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTRATION AGENT OR				
17	REGISTERED PARTY / LENDER / CREDITOR / ASSIGNEE				
	ADDRESS				
		CANADIAN SECURITIES REGISTRATION SYSTEMS			
		4126 NORLAND AVENUE			
		BURNABY BC V5G 3S8			

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED... 20



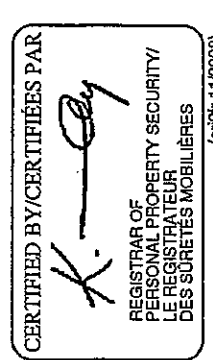
TYPE OF SEARCH: BUSINESS DEBTOR
 SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
 FILE CURRENCY: 24NOV 2010

FORM 20 FINANCIAL CHANGE STATEMENT / CHANGE STATEMENT

CAUTION	PAGE	TOTAL MOTOR VEHICLE REGISTRATION REGISTERED	REGISTERED
ISSUING	NO. OF	SCHEDULE	INDEX
02	002	20070816 1456 1530 6989	
01	02	002	
21	02	002	
22	02	002	
23	02	002	
24	02	002	
25	02	002	
26	02	002	
27	02	002	
28	02	002	
02/	02	002	
05	02	002	
03/	02	002	
06	02	002	
04/07	02	002	
29	02	002	
08	02	002	
09	02	002	
10	02	002	
11	02	002	
12	02	002	
13	02	002	
14	02	002	
15	02	002	
16	02	002	
17	02	002	

ONTARIO CORPORATION INC ON MST 2E9

TORONTO
 327 SPADINA AVENUE



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 21
(10609)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24 NOV 2010

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
628551531

01 CREDITOR PAGE TOTAL MOTOR VEHICLES REGISTRATION REGISTERED REGISTRATION
SELLING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
01 001 20060901 1454 1530 8219 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME ELLEN'S HEALTH FOOD LTD.

04 ADDRESS 245 MIDWEST ROAD SCARBOROUGH ONTARIO CORPORATION NO. MIP 3A6

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ELLEN Y RUN ..

07 ADDRESS 13779 LESLIE STREET AURORA ONTARIO CORPORATION NO. L4G 7C5

08 SECURED PARTY / LEASEE HSBK BANK CANADA

09 ADDRESS 70 YORK STREET 3RD FLOOR TORONTO ON M5J 1S9

10 CREDITORS CLASSIFICATION MOTOR VEHICLES AMOUNT DATE OF NO FINANCING
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED WATERLINES OR WATER LIA. DATE

11 MOTOR YEAR MAKE MODEL

12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION

16 REGISTERING ASSET CANADIAN SECURITIES REGISTRATION SYSTEMS

17 ADDRESS SUITE 180-13571 COMMERCE PARKWAY RICHMOND BC V6V2L1

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED . . . 22

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(e/ltfr 11/2008)



SEARCH CONDUCTED ON
 FILE CURRENCY
 BUSINESS DEBTOR
 ELLEN'S FOOD GROUP INC.
 24NOV 2010

WORKING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED
 MAILING NO OF PAGE SCHEDULE NUMBER UNDER

01 01 002 20081029 1452 1530 8458

21 FILE NUMBER 628551531

PAGE AMENDED NOT REPORTING PAGE AMENDED CHANGE REQUIRED
 X A AMBNDMENT

22 FIRST GIVEN NAME SURNAME
 BUSINESS NAME ELLEN'S HEALTH FOOD LTD.

23 REFERENCE
 24 COMPANY/ TRANSFEROR

25 OTHER CHANGE
 26 REASON/ AMEND BUSINESS DEBTOR NAME TO ELLEN'S GROUP INC.
 27 DESCRIPTION ADD SAME BUSINESS DEBTOR WITH DIFFERENT ADDRESS

28 DATE OF BIRTH FIRST GIVEN NAME SURNAME

02/ COMPANY/ BUSINESS NAME ELLEN'S FOOD GROUP INC.
 05/ ADDRESS 245 MIDWEST ROAD

03/ BUSINESS NAME ELLEN'S FOOD GROUP INC.
 06/ ADDRESS 245 MIDWEST ROAD

04/07 ADDRESS 245 MIDWEST ROAD SCARBOROUGH ONTARIO M1P 3A6

29 ASSIGNOR SECURED PARTY/IN CLAIMANT/SECURITIES

08 ADDRESSES
 09 ADDRESSES

10 COLLATERAL CLASSIFICATION
 CONSUMERS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE

YEAR MAKE MODEL

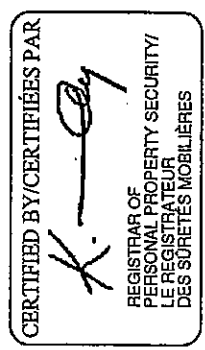
11 MOTOR
 12 VERIFIED
 13 GENERAL
 14 COLLATERAL
 15 REGISTRATION

16 REGISTRARS AGENT OR
 17 SECURED PARTY/IN CLAIMANT

CANADIAN SECURITIES REGISTRATION SYSTEMS
 4126 NORLAND AVENUE
 BURNABY BC V5G 3S8

FOR FURTHER INFORMATION CONTACT THE SECURED PARTY

CONTINUED... 23



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

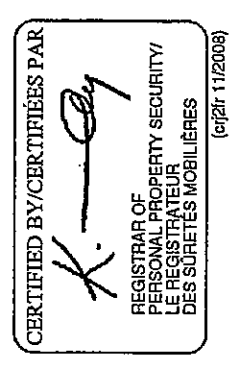
BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

FORM OF FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERS
02 02 002 20081029 1452 1530 8458
21 REGISTRATION NUMBER 628551531
22 PAGE NUMBER NO SPECIFIC PAGE/AMENDED CHANGE REQUIRED RENEWAL
23 FIRST GIVEN NAME INITIAL SURNAME PERIOD
24 BUSINESS NAME
25 OTHER CHANGE
26 RENOV/ DESCRIPTION
27
28 DATE OF BIRTH COMPANY SURNAME
02/ 03/ BUSINESS NAME ELLEN'S FOOD GROUP INC.
04/07 ADDRESS 30 SIMS CRESCENT RICHMOND HILL ON L4B 2N9

29 REGISTRATION NUMBER/VEHICLE IDENTIFICATION NUMBER (VIN) COMPANY INFORMATION NO
08 SECURED PARTY/LEIN CREATIVE ASSOCIATES RICHMOND HILL ON L4B 2N9
09 ADDRESS

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE DATE OF REGISTRATION
11 MAKE MODEL YEAR
12 VEHICLE IDENTIFICATION NUMBER (VIN)
13 GENERAL DESCRIPTION
14 COLLATERAL CLASSIFICATION
15 REGISTRATION NUMBER
16 SECURED PARTY/LEIN CREATIVE ASSOCIATES RICHMOND HILL ON L4B 2N9
17 SECURED PARTY/LEIN CREATIVE ASSOCIATES RICHMOND HILL ON L4B 2N9



RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

TYPE OF SEARCH: BUSINESS DEBTOR
 SEARCH COMPLETED ON: ELLEN'S FOOD GROUP INC.
 DATE: 24 NOV 2010

BURV INC FINANCING STATEMENT / CLAIM FOR LIEN

00 SLIP NUMBER
 618569685

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION PERIOD
 EILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20050902 1948 1531 5379 P PPSA 6

02 DATE OF BIRTH INITIAL SURNAME
 03 BUSINESS NAME ELLEN'S FOOD GROUP INC. ONTARIO CORPORATION NO.
 04 ADDRESS 245 MIDWEST ROAD SCARBOROUGH ON M1P 3A6

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

08 SECURITY PARTY / HSBC BANK CANADA
 SCREEN CLAIMANT ADDRESS 70 YORK STREET, 3RD FLOOR TORONTO ON M5J 1S9

09 COLLATERAL GUARANTEE FLOATION
 10 MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 GOODS INVENTORY FOR RENT ACCOUNTS OTHER INCLUDED MATURITY OF GUARANTEED DATE

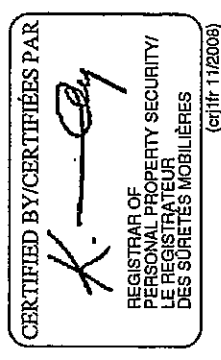
11 MOTOR VEHICLE MOBILE
 12 MOTOR VEHICLE MOBILE

13 GENERAL COLLATERAL DESCRIPTION
 14 GENERAL COLLATERAL DESCRIPTION
 15 GENERAL COLLATERAL DESCRIPTION

16 REGISTERING CANADIAN SECURITIES REGISTRATION SYSTEMS
 17 ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

FOR FURTHER INFORMATION, CONTACT THE ISSUED PARTY

CONTINUED . . . 25



RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

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

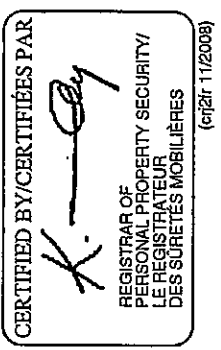
REPORT : PSSR060
 PAGE : 25
 (10613)

BUSINESS DEBTOR
 ELLEN'S FOOD GROUP INC.
 24 NOV 2010

TYPE OF SEARCH
 SEARCH CONDUCTED ON
 FILE CURRENCY

FORM 26 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

01	01	001	20070816 1456 1530 6990	REGISTERED			
21	01	618569685					
22	X						
23							
24			ELLEN'S FOOD GROUP INC.				
25							
26			ADD DEBTORS				
27							
28							
02/							
05			ELLEN'S FOOD GROUP INC.				
03/							
06			327 SPADINA AVE				TORONTO
04/07							
29							
08							
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10							
11							
12							
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14							
15							
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17							



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

REPORT : PSSR060
 PAGE : 26
 (10614)

RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

TYPE OF SEARCH: BUSINESS DEBTOR
 SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
 FILE CURRENCY: 24NOV 2010

FORM TO: FINANCING STATEMENT / CLAIM FOR LIEN

00
 FILE NUMBER
 616763601

01
 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 PLATE NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD PERIOD
 001 1 20050707 1112 1186 1332 P PPSA 05

02
 DATE OF BIRTH [REDACTED] SURNAME [REDACTED]

03
 BUSINESS NAME
 ELLEN'S FOOD GROUP INC.

04
 ADDRESS
 245 MIDWEST ROAD TORONTO

05
 DATE OF BIRTH [REDACTED] SURNAME [REDACTED]

06
 BUSINESS NAME
 [REDACTED] ON MIP 3A6

07
 ADDRESS
 [REDACTED] ONTARIO CORPORATION NO.

08
 REGISTERED PARTY
 HSBC BANK CANADA

09
 LIEN CLAIMANT
 3640 VICTORIA PARK AVE., WILLOWDALE TORONTO ON M2H 3B2

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

11
 MOTOR VEHICLE
 [REDACTED] [REDACTED]

12
 YEAR MAKE [REDACTED] [REDACTED]

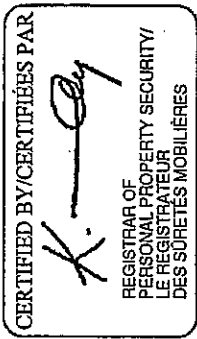
13
 GENERAL COLLATERAL DESCRIPTION

14
 METCALFE, BLAINY & BURNS, LLP

15
 #202-18 CROWN STEEL DRIVE MARKHAM ON L3R 9X8

16
 FURTHER INFORMATION CONTACT THE SECURED PARTY

17
 CONTINUED ... 27



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

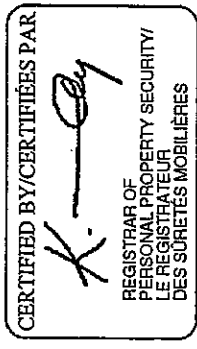
TYPE OF SEARCH
SEARCH CONDUCTED ON
FILE CURRENCY

PROPERTY FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION	PAGE	TOTAL MOTOR VEHICLE REGISTRATION	REGISTERED
RELEASE NO. OF PAGE	SCHEDULE NUMBER	NUMBER	UNDER
01	001	20100706 1740 1590 5340	
21	ELLEN NUMBER	616763601	
22	RENEWAL YEARS	1	
23	CHANGES REQUIRED	B RENEWAL	
24	INITIAL SURNAME		
25	BUSINESS NAME	ELLEN'S FOOD GROUP INC.	
26	OTHER CHANGE		
27	REASON/ DESCRIPTION		
28	DATE OF BIRTH		
02/	FIRST GIVEN NAME		
05	INITIAL		
03/	BUSINESS NAME		
06	ADDRESS		
04/07			
29	ASSIGNOR		
08	SECURED PARTY/ BENEFAICIAIR/ ASSIGNE		
09	ADDRESS		
10	COLLATERAL CLASSIFICATION		
11	COMPLEY		
12	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED		
13	YEAR		
14	MAKE		
15	MODEL		
16	DATE OF PURCHASE		
17	THORNTONROUTFINNIGAN LLP (DN)		
	3200 100 WELLINGTON STREET WEST		
	TORONTO		
	ON		
	M5K 1K7		

ONTARIO CORPORATION NO. [REDACTED]

CONTINUED . . . 28



RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

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

REPORT : PSSR060
PAGE : 29
(10617)

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

FORM PC FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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

01 FILE NUMBER 01 001 20080303 1951 1531 5966

21 REFUND REFERENCE 613219365
RENEWAL PERIOD 3

22 FEE WASTED NOT SPECIFIC PAGE AMENDED CHANGE REQUIRED
X B RENEWAL

23 FIRST GIVEN NAME INITIAL SURNAME
24 BUSINESS NAME ELLEN'S FOOD GROUP INC.

25 OTHER CHANGE
26 REASON
27 DESCRIPTION

28 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02/ BUSINESS NAME
05/ ADDRESS
03/ BUSINESS NAME
06/ ADDRESS

29 ASSIGNOR SEARCHED PARTIAL ON CHAIN? ASSIGNEE
08 ADDRESS
09 COLLEGE CLASSIFICATION

10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENGINES MOTOR VEHICLE DATE OF ACQUISITION
YEAR MAKE MODEL

11 VENDOR
12 VEHICLE
13 SPARE PARTS
14 COLLATERAL
15 REGISTRATION
16 REGISTERING AGENCY
17 ASSIGNED PARTY ADDRESS
CANADIAN SECURITIES REGISTRATION SYSTEMS
4126 NORLAND AVENUE
BURNABY BC V5G 3S8

FOR FURTHER INFORMATION CONTACT THE SOURCE PARTY

CONTINUED... 30

CERTIFIED BY/CERTIFIÉES PAR
K. [Signature]
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRÉTÉS MOBILIÈRES

(c) 2011/2008



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

REPORT : P5SR060
 PAGE : 30
 (10618)

RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

DEBTOR SEARCH BUSINESS DEBTOR
 SEARCH CONDUCTED ON ELLEN'S FOOD GROUP INC.
 FILE CURRENCY 24NOV 2010

FORM C - FINANCING STATEMENT / CLAU. FOR LIEN

00 FILE NUMBER
 613172601

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 BILLING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
 01 001 20050307 1453 1530 3442 P PPSA 3

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 BUSINESS NAME ELLEN'S FOOD GROUP INC

04 ADDRESS C/O 245 MIDWEST RD SCARBOROUGH ON M1P 3A6
 BUSINESS NAME FIRST GIVEN NAME SURNAME

05 DATE OF BIRTH BUSINESS NAME
 06 BUSINESS NAME FIRST GIVEN NAME SURNAME

07 ADDRESS HSBC BANK CANADA ONTARIO CORPORATION INC
 ADDRESS 3640 VICTORIA PARK AVENUE WILLOWDALE ON M2H 3B2

08 SECURED PARTY / LIEN CLAIMANT
 09 ADDRESS HSBC BANK CANADA ONTARIO CORPORATION INC
 ADDRESS 3640 VICTORIA PARK AVENUE WILLOWDALE ON M2H 3B2

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF RECEIPT
 GOODS LAWENFORCE EQUIPMENT ACCOUNTS OTHER INCLUDED MATERIAL OR MATERIAL DATE

11 YEAR MAKE MODEL VEHICLE

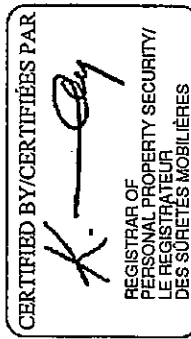
12 MOTOR VEHICLE

13 GENERAL THE COMPLETE ADDRESS OF THE DEBTOR IS -
 14 COLLATERAL C/O ELLEN'S HEALTH FOOD COMPANY LTD, 245 MIDWEST RD, SCARBOROUGH,
 15 DESCRIPTION ONTARIO M1P 3A6

16 RESUME CANADIAN SECURITIES REGISTRATION SYSTEMS
 17 ADDRESS 4126 NORLAND AVENUE BURNABY BC V5G 3S8

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY

CONTINUED... 31



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

REPORT : PSSR060
 PAGE : 31
 (10619)

RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

BUSINESS DEBTOR
 SEARCH CONDUCTED ON: ELLEN'S FOOD GROUP INC.
 FILE CURRENCY: 24NOV 2010

FORM FOR FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TO PART MOTOR VEHICLES REGISTRATION REGISTERED
 KILLING NO. OF PAGES SCHEDULE NUMBER UNDER
 01 001 20050309 1945 1531 5386
 FILE NUMBER 613172601
 CORRECT PERIOD

RENEWAL YEARS
 CHANGE REGISTERED A AMENDMENT
 FIRST GIVEN NAME SURNAME
 BUSINESS NAME ELLEN'S FOOD GROUP INC

OTHER CHANGE
 DEBTOR ON PAGE 1 LINE 3 OF REGISTRATION NUMBER 20050307445315303442
 HAS CHANGED NAME.

DEBTOR / BUSINESS NAME ELLEN YUK YEE
 DATE OF BIRTH 12APR1957
 BUSINESS NAME
 ADDRESS C/O 245 MIDWEST RD
 SCARBOROUGH ON M1P 3A6

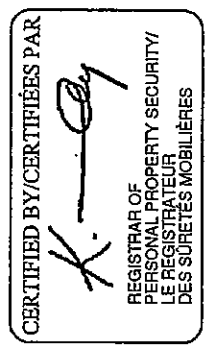
ASSIGNOR / SCHEDULE PART / ITEM / CLAIM / PAGES
 ADDRESS
 COLLATERAL GUARANTEE / CAUTION
 CONSUMER / MOTOR VEHICLE / DATE OF REG. FILED
 GOODS / INVENTORY / EQUIPMENT / ACCOUNTS / OTHER / INCLUDED / AMOUNT / MATURITY / OR / MAINTENANCE DATE

YEAR / MAKE / MODEL
 MOTOR / VEHICLE
 COLLATERAL / COLLATERAL

REGISTRATION / AGENT OF / ADDRESS
 BURNABY BC V5G 3S8
 CANADIAN SECURITIES REGISTRATION SYSTEMS
 4126 NORLAND AVENUE

FOR FURTHER INFORMATION CONTACT THE SECURITY PARTY

CONTINUED... 32



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

RUN NUMBER : 329
RUN DATE : 2010/11/25
ID : 20101125163018.77

BUSINESS DEBTOR
ELLEN'S FOOD GROUP INC.
24NOV 2010

TYPE OF SEARCH
SEARCH CONDUCTED ON
FILE CURRENCY

FORM 22 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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

01 01 001 20080229 1450 1530 1526

21 01 613172601

22 PAGE/RENEWED NO SPECIFIC PAGE PROVIDED CHANGE REQUIRED B RENEWAL

23 FIRST GIVEN NAME SURNAME INITIAL SURNAM

24 ELLEN YUK YEE PUN

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION

02/ DATE OF BIRTH
05 COMPANY
03/ TRANSFEREE BUSINESS NAME

06 ADDRESS

29 ASSIGNOR SECURED PARTY BEEN GUARANTY ASSESSOR

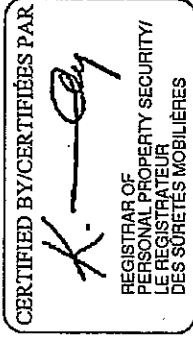
08 ADDRESS

09 GENERAL CLASSIFICATION CONSUMER DATE OF NO FIELD
FOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDES AMOUNT MANUFACTURE OR ASSEMBLY DATE

10 YEAR MAKE MODEL

11 MOTOR VEHICLE
12 GENERAL
13 GENERAL
14 GENERAL
15 DESCRIPTION

16 REGISTERING AGENCY OR CANADIAN SECURITIES REGISTRATION SYSTEM BURNABY BC V5G 3S8
17 SECURED PARTY ADDRESS



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

RUN NUMBER : 329
 RUN DATE : 2010/11/25
 ID : 20101125163018.77

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : ELLEN'S FOOD GROUP INC.
 FILE CURRENCY : 24NOV 2010

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
655477299	20090810 1453 1530 2370	20091120 1320 6005 5787	
649571355	20081029 1444 6005 0514	20091120 1318 6005 5786	
648770886	20080924 1946 1531 7280		
646876701	20080714 1041 1529 3421		
644553099	20080425 1450 1530 6213		
643196286	20080306 1949 1531 8811		
637637148	20070726 1453 1530 9195	20070816 1946 1531 9500	20081029 1452 1530 8459
630096147	20061026 1453 1530 9155	20070816 1456 1530 6989	
628551531	20060901 1454 1530 8219	20081029 1452 1530 8458	
618569685	20050902 1948 1531 5379	20070816 1456 1530 6990	
616763601	20050707 1112 1186 1332	20100706 1740 1590 5340	
613219365	20050308 1948 1531 4312	20080303 1951 1531 5966	
613172601	20050307 1453 1530 3442	20050309 1945 1531 5386	20080229 1450 1530 1526

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

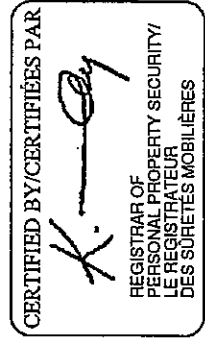


EXHIBIT “D”



GUARANTEE (For use in all Provinces except Quebec)

To: HSBC Bank Canada

In consideration of HSBC Bank Canada (herein called the "Bank") dealing with Ellen's Food Group Inc.

(herein called the "Customer") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby jointly and severally unconditionally guarantee(s) payment to the Bank of all present and future debts and liabilities direct or indirect, absolute or contingent, now or at any time and from time to time hereafter due or owing to the Bank from or by the Customer whether as principal or surety, and whether incurred by the Customer alone or jointly with any other Corporation, person or persons, or otherwise howsoever together with all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by the Bank, the receiver, receiver-manager or agent of the Customer, or the agent of the Bank in the perfection and enforcement of this Guarantee and of any security held by the Bank in respect of such indebtedness, obligations, liabilities, expenses and interest.

(If unlimited delete paragraph and have customer initial)

Provided that no sum in excess of \$ 6,000,000.00 and interest thereon as herein provided calculated from the date demand is made under this Guarantee and accruing both before and after judgment (the "Limited Amount"), shall be recoverable from the undersigned hereunder.*

[For an obligation which is payable only in a currency other than Canadian currency express the Limited Amount in the foreign currency.]

Provided that if this Guarantee is expressed to be made in respect of a Limited Amount, the undersigned shall, in addition to the Limited Amount be liable for all amounts received by the undersigned as trustee for the Bank in accordance with paragraphs 12 or 17 and all costs, charges and expenses (including legal fees on a solicitor and client basis) incurred by the Bank, its receiver, receiver-manager or agent of the Customer, or the agent of the Bank in the perfection and enforcement of this Guarantee.

And the undersigned and each of them (if more than one) hereby jointly and severally agree(s) with the Bank as follows:

1. The sum collectible by the Bank under this Guarantee shall include interest accruing on the debt owed by the Customer to the Bank at the respective rates of interest applicable to the various obligations of the Customer which constitute the Customer's debts and liabilities to the Bank. Where the Customer is liable to the Bank for interest calculated at more than one rate, then the particular rate of interest charged on a particular obligation shall continue to apply hereunder in respect of such obligation both before and after default and before and after judgment.
2. Every certificate issued under the hand of the Manager or Acting Manager of the Bank at the branch where the Customer's account is kept, purporting to show the amount at any particular time due and payable to the Bank and covered by this Guarantee, shall be received as conclusive evidence against the undersigned that such amount is at such time due and payable to the Bank and is covered hereby.
3. If this Guarantee is expressed to be made in respect of a Limited Amount and the Limited Amount is less than the obligation or the aggregate of the obligations of the Customer, then a certificate by the Manager or Acting Manager of the branch of the Bank where the Customer's account is kept shall be conclusive as to which of the obligations of the Customer are being allocated for collection under this Guarantee and the rate or rates of interest applicable.
4. If the Customer is a corporation, no change in the name, objects, capital stock or constitution of the Customer shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part in whatsoever manner including, without limitation, by amalgamation with the Customer.
5. The Bank shall not be obliged to inquire into the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and moneys, advances, renewals or credits in fact borrowed or obtained from the Bank in exercise of such powers shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding that such borrowing or obtaining of moneys, advances, renewals or credits is in excess of the powers of the Customer or of its directors or other agents, or is in any way irregular, defective or informal.
6. If the Customer is a partnership, no change in the name of the Customer's firm or in the membership of the Customer's firm through the death, retirement or introduction of one or more partners or otherwise, or by the disposition of the Customer's business in whole or in part, shall in any way affect the liability of the undersigned, either with respect to transactions occurring before or after any such change, and this Guarantee shall extend to all debts and liabilities to the Bank of the person or corporation who or which assumes the obligations of the Customer in whole or in part in whatsoever manner.
7. The Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from, or from perfecting securities of, may cease or refrain from giving credit or making loans or advances to, may accept compositions from, and may otherwise deal with the Customer and all other persons (including the undersigned and any other guarantor) and securities, as the Bank may see fit, and all dividends, compositions, and moneys received by the Bank from the Customer or from any other persons or estates capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross. No loss of or in respect of the securities received by the customer or others, whether occasioned by the fault of the Bank or otherwise, shall in

any way limit or lessen the liability of the undersigned under this guarantee. Until all indebtedness of the Customer to the Bank has been paid in full, the undersigned shall not have any right of subrogation to the Bank or to the securities held by the Bank and this Guarantee shall not be diminished or affected on account of any act or failure to act on the part of the Bank which would prevent subrogation from operating in favour of the undersigned. The Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities; and the undersigned shall have no right to be subrogated to the Bank or to the securities held by the Bank until the Bank has received payment in full of its claim with interest.

8. The Bank, in its sole discretion and as the Bank sees fit, without in any way prejudicing or affecting the rights of the Bank hereunder, may appropriate any moneys received to any portion of the debts and liabilities hereby guaranteed, whether then due or to become due, and may revoke or alter any such appropriation.
9. This shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Bank, but the Bank shall not be obliged to enforce its rights against the Customer or other persons or the securities it may hold before being entitled to payment from the undersigned of all and every of the debts and liabilities hereby guaranteed; Provided always that the undersigned may determine his or her or their further liability under this continuing guarantee by 90 days' notice in writing to be given to the Bank, and the liability hereunder of the undersigned shall continue until the expiration of 90 days after the giving of such notice, notwithstanding the death or insanity of the undersigned, and after the expiry of such notice the undersigned shall remain liable under this Guarantee in respect of any sum or sums of money owing to the Bank as aforesaid on the date such notice expired and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date but maturing thereafter, but in the event of the determination of this Guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.
10. Notwithstanding the provisions of any statute relating to the rate of interest payable by debtors, this Guarantee shall remain in full force and effect whatever the rate of interest received or demanded by the Bank.
11. The undersigned hereby grants to the Bank the right to set off against any and all accounts, credits or balances maintained by the undersigned with the Bank, the aggregate amount of any and all liabilities of the undersigned hereunder if and when the same shall become due and payable.
12. All debts and liabilities present and future of the Customer to the undersigned are hereby assigned to the Bank and postponed to the present and future debts and liabilities of the Customer to the Bank and all moneys received by the undersigned from the Customer shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness to the Bank is fully paid and satisfied; all without prejudice to or without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise.
13. The Bank shall not be obliged to give the undersigned notice of default by the Customer, and upon any default by the Customer the undersigned shall be held bound directly to the Bank as principal debtor in respect of the payment of the amounts hereby guaranteed.
14. No suit based on this Guarantee shall be instituted until demand for payment has been made. Any notice, demand or court process may be served by the Bank on the undersigned or his or her or their legal personal representatives either personally or by posting the same by ordinary mail postage prepaid, in an envelope addressed to the address of the party to be served last known to the Bank, and the notice or demand so sent shall be deemed to be served on the day following that on which it is mailed.
15. This Guarantee shall be operative and binding upon every signatory hereof notwithstanding the non-execution hereof by any other proposed signatory or signatories, and the undersigned acknowledges that this Guarantee has been delivered free of any conditions and that no statements, representations, agreements, collateral agreements or promises have been made to or with the undersigned affecting or limiting the liability of the undersigned under this Guarantee or inducing the undersigned to grant this Guarantee except as specifically contained herein in writing, and agrees that this Guarantee is in addition to and not in substitution for any other guarantees held or which may hereafter be held by the Bank.
16. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on the Bank unless made in writing under the signature of either the President or one of the Vice-Presidents of the Bank.
17. The undersigned shall file all claims against the Customer in any bankruptcy or other proceedings in which the filing of claims is required by law or upon any indebtedness of the Customer to the undersigned and will assign to the Bank all of the undersigned's rights thereunder. In all such cases, whether an administration, bankruptcy, or otherwise, the person or persons authorized to pay such claims shall pay to the Bank the full amount payable on the claim in the proceeding before making any payment to the undersigned; all without in any way limiting or lessening the liability of the undersigned to the Bank whether this Guarantee is expressed to be made in respect of a Limited Amount or otherwise. All moneys received by the undersigned in all such cases shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank until the Customer's indebtedness is fully paid and satisfied. To the fullest extent necessary for the purposes of this paragraph 17 the undersigned hereby assigns to the Bank all the undersigned's rights to any payments or distributions to which the undersigned otherwise would be entitled.
18. In this Guarantee, any word importing the singular number shall include the plural, and without restricting the generality of the foregoing, where there is more than one undersigned any reference to the undersigned refers to each and every one of the undersigned, and any word importing a person shall include a corporation, partnership and any other entity.
19. If this Guarantee is executed by more than one party, the liability of each of the undersigned hereunder shall be joint and several.
20. This Guarantee shall extend to and enure to the benefit of the successors and assigns of the Bank, and shall be binding upon the undersigned and the respective heirs, executors, administrators, successors and assigns of each of the undersigned.

- 21. No invalidity, irregularity or unenforceability by reason of any bankruptcy or similar law or any law or order of any government or agency thereof purporting to reduce, amend or otherwise affect the liability of the Customer to the Bank or of any security therefor, shall affect, impair or be a defence to this Guarantee. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision shall be deemed to be severable and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
- 22. With respect to any portion of the indebtedness secured hereby which is payable in a currency other than Canadian currency (the "Foreign Currency Obligation"), the following provisions shall apply:
 - (a) Payment hereunder with respect to the Foreign Currency Obligation shall be made in immediately available funds in lawful money of the jurisdiction in the currency of which the Foreign Currency Obligation is payable (the "Foreign Currency") in such form as shall be customary at the time of payment for settlement of international payments in Vancouver, British Columbia without set-off, compensation or counterclaim and free and clear of and without deduction for any and all present and future taxes, levies, imposts, deductions, charges and withholdings with respect thereto.
 - (b) The undersigned shall hold the Bank harmless from any loss incurred by the Bank arising from any change in the value of the Canadian currency in relation to the Foreign Currency between the date the Foreign Currency Obligation becomes due and the date of payment thereof.
 - (c) If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in the Foreign Currency into Canadian funds ("Canadian dollars"), the rate of exchange used shall be that at which in accordance with normal banking procedures the Bank could purchase the Foreign Currency with Canadian dollars on the business day preceding that on which final judgment is given.

The obligation of the undersigned in respect of any Foreign Currency Obligation due by it to the Bank hereunder shall, notwithstanding any judgment in Canadian dollars, be discharged only to the extent that on the business day following receipt by the Bank of any sum adjudged to be so due in Canadian dollars the Bank may in accordance with normal banking procedures purchase the Foreign Currency with Canadian dollars; if the amount of the Foreign Currency so purchased is less than the sum originally due to the Bank in the Foreign Currency the undersigned agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Bank against such loss and if the Foreign Currency purchased exceeds the sum originally due to the Bank in the Foreign Currency the Bank agrees to remit such excess to the undersigned to the extent the undersigned is entitled thereto.

- 23. All the rights, powers and remedies of the Bank hereunder and under any other agreement now or at any time hereafter in force between the Bank and the undersigned shall be cumulative and shall be in addition to and not in substitution for all rights, powers and remedies of the Bank at law or in equity.
- 24. The undersigned by its signature of this Guarantee on the one hand and the Bank by making this Guarantee available to the undersigned on the other hand acknowledge having expressly required it to be drawn up in the English language. La soussignée par sa signature de ce cautionnement d'une part et la Banque en mettant ledit cautionnement à sa disposition d'autre part reconnaissent avoir expressément exigé qu'il soit rédigé en langue anglaise.
- 25. This Guarantee shall be construed in accordance with the laws of the Province of *

(insert Province where Customer's Account is kept)

_____ and shall be deemed to have been made in such Province and to be performed there, and the Courts of such Province shall have jurisdiction over all disputes which may arise under this Guarantee, provided that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

If the undersigned becomes resident outside the Province referred to in this paragraph 25 then the undersigned hereby submits to the jurisdiction of the courts of competent jurisdiction of the Province referred to in this paragraph 25 in respect of any proceeding hereon. Service of any process upon the undersigned may be made by ordinary mail in an envelope addressed to the following address:

or in any other manner permitted by law.

- 26. Each of the undersigned hereby acknowledges that he or she has read the contents of this Guarantee and understands that the signing of this Guarantee involves joint and several financial responsibility on the part of the undersigned.

Given under seal at _____, this 3rd day of June, 2001.

Witness

Signature of Guarantor

 Ellen Pun (Seal)
 _____ (Seal)

Corporate Guarantee*

**Where a Guarantor is a corporation, the corporate seal is to be affixed in the presence of its signing officer(s)*

(Name of Corporation)

C/S

(Signature of Authorized Signatory)

(Print name of Authorized Signatory)

(Signature of Authorized Signatory)

(Print name of Authorized Signatory)

For use in Alberta

**THE GUARANTEES ACKNOWLEDGEMENT ACT
CERTIFICATE OF NOTARY PUBLIC**

I hereby certify that:

1. _____, of _____, the Guarantor in the Guarantee dated _____ made between _____ and HSBC Bank Canada which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the Guarantee;

2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee and understands it.

Given at _____, this _____ day of _____, _____ under my hand and seal of office.

A Notary Public in and for

(Seal)

STATEMENT OF GUARANTOR

I am the person named in this certificate

(Signature of Guarantor)

EXHIBIT “E”

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT is made

AMONG: Ellen's Health Food

(the "Assignor")

AND: Ellen's Food Group

(the "Assignee")

AND: HSBC BANK CANADA,
a Canadian chartered bank, having an office at the 15th floor, 888 Dunsmuir Street,
Vancouver, B.C. V6C 3K4

("HSBC")

WHEREAS:

- A. Pursuant to Master Equipment Lease No. 231667 dated September 13, 2006 made between HSBC and the Assignor and any schedule(s) thereto, as any of them may have been amended, supplemented or replaced from time to time (collectively, the "Lease"), HSBC did lease to the Assignor the goods or equipment (collectively, the "Leased Assets") more particularly described in the Lease, a summary of which is attached hereto;
- B. The Assignor and the Assignee have entered into an agreement, pursuant to which the Assignor has agreed to assign and transfer all of the Assignor's right, title and interest in and to the Leased Assets and the Lease to the Assignee;
- C. Pursuant to the Lease, the consent of HSBC is required for the assignment and transfer of the Leased Assets and the Lease, which consent HSBC has agreed to grant provided the parties enter into this Agreement.

- 2 -

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the sum of ten dollars, the mutual covenants and agreements contained herein and of other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the parties hereto hereby acknowledge, covenant and agree as follows:

1. The Assignor hereby assigns, sells transfers and sets over absolutely unto the Assignee, on an "as is, where is" basis, all of the right, title and interest of the Assignor in, to and under the Leased Assets, the Lease and all rights, benefits and advantages to be derived therefrom or relating thereto.
2. The Assignor represents and warrants to the Assignee that the Lease is a valid and subsisting lease and that the rents reserved thereby have been paid in full up to and including June 30, 2008.
3. The Assignee covenants and agrees with the Assignor that the Assignee will indemnify and save harmless the Assignor from any and all actions, suits, costs, losses, damages and expenses (including legal fees on a "special costs basis") arising after June 30, 2008 by reason of any failure by the Assignee to pay any rents or any other monies due and owing under the Lease or any failure by the Assignee to otherwise fulfil, observe and perform any obligations, terms and conditions of the "Lessee" under the Lease.
4. The Assignee covenants and agrees with each of the Assignor and HSBC that the Assignee hereby assumes and agrees to be responsible for all of the indebtedness, obligations and liabilities of the "Lessee" arising after June 30, 2008 under or in connection with the Lease and the Leased Assets, or any of them, and without limiting any of the foregoing, the Assignee, as a principal obligant and not as a surety, hereby expressly confirms and adopts as its own and covenants and agrees to and in favour of HSBC to keep, observe and perform all covenants, obligations, terms, conditions, representations and warranties of the "Lessee" to and in favour of HSBC contained in the Lease and acknowledges and agrees that it shall be bound thereby to the same extent, in all respects and with the same effect as if it were a party to the Lease in the place and stead of the Assignor. For greater certainty and without limiting any of the foregoing, the Assignee, as a principal debtor and not as a surety, hereby covenants to pay all of the rents and any other monies due, owing and arising after June 30, 2008 under the Lease or otherwise in connection with the Leased Assets at the time and in the manner provided in the Lease and to otherwise observe and perform the terms, conditions, covenants, representations and warranties contained in the Lease.
5. The Assignor will, upon the request and at the cost of the Assignee, execute all such further documents and do such further acts and things as the Assignee may reasonably require to give full effect to this Agreement.
6. Without limiting any other provision hereof, the Assignee hereby acknowledges and agrees that HSBC may, without prejudice to its rights against the Assignee hereunder and under the Lease, release and discharge the Assignor or any other persons or persons from any and all obligations and liability arising hereunder or under the Lease.
7. The Assignee shall from time to time and at all times hereafter, and without further consideration, do and perform all such further acts and things and execute and deliver all such further instruments, agreements, assurances, deeds, assignments, conveyances, notices, releases and other documents as may reasonably be required by HSBC and the Assignor, or either of them, to more fully assure the carrying out to the intent and purpose of this Agreement.

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8. The Assignor each hereby acknowledges and agrees that the Lease and all of the covenants, obligations, terms, conditions, representations and warranties contained therein are in all respects confirmed.
9. In consideration of payment by the Assignor of an administration fee to HSBC in an amount of \$500.00 plus applicable taxes. Assignor, HSBC does hereby:
- a. consent to the assignment and transfer of the Lease and the Leased Assets as provided herein; and
 - b. confirm that the Lease is a valid and subsisting lease and that the rents reserved thereby have been paid in full up to and including June 30, 2008.

provided that such consent is given and is subject to the following terms and conditions and the Assignor and the Assignee do each hereby acknowledge and agree as follows:
 - c. neither the consent given by HSBC nor anything else contained herein shall in any way derogate from or prejudice the rights and remedies HSBC may have against the Assignor arising under the Lease or otherwise at law or in equity nor operate to release the Assignor from any of its obligations to:
 - (I) pay all rent and any other monies from time to time becoming due under the Lease or otherwise in respect of the Leased Assets; or
 - (II) keep, observe and perform all of the covenants, obligations, terms, conditions, representation and warranties contained in the Lease and notwithstanding the consent given by HSBC herein and the within assignment, the Assignor shall continue to remain liable in respect thereof during the balance of the term of the Lease;
 - d. The consent given by HSBC herein shall in no way constitute any waiver, either express or implied, of the necessity to obtain a consent in respect of any future assignment of the Lease; and
 - e. HSBC shall not, by virtue of the consent given herein, be deemed to have made any representation or warranty as to the condition or fitness for any particular purpose of any of the Leased Assets.
10. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction governing the Lease.
11. This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement this 21st day of Oct, 2008.

THE ASSIGNEE: Ellen's Food Group

c/s

Per:



Per:

THE ASSIGNOR: Ellen's Health Food

c/s

Per:



Per:

HSBC BANK CANADA
by its authorized signatories:

Per:

Name: Mohammed Siddiqui
Title: AVP, Regional Leasing

Per:

Name: Syed Israr
Title: Account Manager

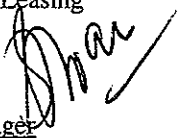


EXHIBIT “F”

HSBC



June 18, 2010

Private and Confidential

Deloitte & Touche LLP
181 Bay Street, Suite 1400
Toronto, ON M5J 2V1

Attention: Robert J. Bougie

Dear Sirs:

Subject: Borrowings of Ellen Pun; Ellen Associates Ltd.; Ellen's Food Group Inc.; Ellen's Health Food Ltd.; and Ellen's Investment Holding (collectively the "Ellen Group") from HSBC Bank Canada.

This letter confirms the terms of the engagement of Deloitte & Touche LLP ("Deloitte") by HSBC Bank Canada (the "Lender") to act as a consultant, to review the operations and financial position of the Ellen Group (the "Company").

Scope of services

Deloitte will provide the following financial consulting services:

- A review and assessment of the Company's financial position and historical operating results;
- A review and assessment of the Company's financial forecasts, including projected cash flows, and the reasonableness of the underlying assumptions and future operating outlook including consideration of the various options available to the Company. If such forecasts are not available, the preparation of same;
- An evaluation of the Company's significant assets and liabilities and assessment of the current security position of the Lender;
- An assessment of the adequacy and effectiveness of the existing management team;
- Upon the specific written request of the Lender any other matters which appear to the Lender to be relevant to an assessment of the Lender's security position and future course of action.

Reporting

Deloitte will communicate the status of its work to the Lender throughout the engagement. Upon completion of the engagement, Deloitte will provide the Lender with a written report in accordance with the scope of services described above.

A draft of the factual sections of the report will be shown to the Company. The Company will have the opportunity to review the draft sections prior to submission to the Lender and to provide comments thereon. Deloitte will ask the Company to confirm that the facts, as stated, are accurate in all material respects and that they are not aware of any material matters that have been excluded. Deloitte is, however, under no obligation to change its reports as a result of the Company's comments.

Timing

The timing of the completion of the engagement will be dependent on the co-operation that Deloitte receives from the Company and the availability of its senior management and staff. Deloitte will be

HSBC Bank Canada
70 York Street, Toronto, Ontario M5J 1S9
Tel: (416) 868-8000 Fax: (416) 868-3812

Deloitte & Touche LLP
June 18, 2010
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relying on the Company's financial and management information systems as well as operational and management reports being current, accurate, and reliable.

Deloitte will use commercially reasonable efforts to carry out its work on a timely basis and will inform the Lender of any difficulties it encounters. The production and timing of Deloitte's reports assumes that the information it requires to carry out its work will be made available promptly and in good order by the Company. Notwithstanding the above, Deloitte will inform the Lender as soon as possible of any matters of a material nature which come to your attention during the course of your work. Such matters may affect the estimate of professional fees.

Engagement team

This engagement will be under the direction of Robert Bougie who will maintain overall responsibility for the engagement on behalf of Deloitte. Brenda Wong will coordinate daily management of the engagement. The engagement team will include other professionals, as necessary, to complete the engagement on a timely basis.

Other professionals who will be identified during the course of the engagement may also be included to provide technical support.

Circumstances may occur that could result in changes to the anticipated staffing for this engagement. Deloitte will, however, use its best efforts to ensure that the members of the Engagement team are not changed without prior consultation.

Professional Fees

Deloitte's fees will be based on the amount of professional time required and its standard hourly billing rates, which vary depending upon the experience level of the professionals involved. Your bills will also include reasonable out of pocket expenses.

General business terms

The attached General Business Terms form part of our mutual agreement concerning this engagement. By signing this agreement the parties agree to be bound by these General Business Terms. In the event of a conflict between this letter and the General Business Terms, the General Business Terms shall take precedence, provided that if the letter specifically states that a particular term shall take precedence over the General Business Terms, the letter shall take precedence with respect to that term.

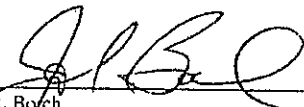
Deloitte & Touche LLP
June 18, 2010
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Confirmation

Please confirm your acceptance of this agreement by signing both copies of this letter in the space provided below and returning one signed copy of the letter to us.

Yours very truly,

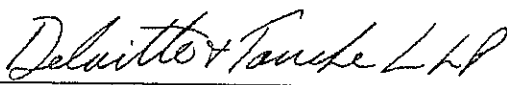
HSBC Bank Canada



John R. Borch
Assistant Vice President
North American Risk

Deloitte & Touche LLP hereby accepts this appointment and agrees to the terms and conditions.

Dated at Toronto, this 18th day of June, 2010.



Robert J. Bougie, CAICIRP
Partner

Consent and agreement

Ellen Pun; Ellen Associates Ltd.; Ellen's Food Group Inc.; Ellen's Health Food Ltd. and Ellen's Investment Holding (the "Company") hereby consents and agrees to the appointment of Deloitte & Touche LLP ("Deloitte") as a consultant by HSBC Bank Canada (the "Lender") in accordance with the above letter of engagement and the General Business Terms forming part thereof (the "General Business Terms") and acknowledges that they have read and understood the terms and conditions of the letter.

The Company hereby

1. Agrees that Deloitte shall have unrestricted access to all information concerning the Company's undertaking, property and affairs in order to carry out this engagement. Deloitte shall have complete and open access to all premises, offices, files and records of every kind and description, including all business, accounting, legal and other records, documents and files, including copies thereof (the "Information") of the Company. The Company's officers, directors, partners, employees, agents and consultants shall answer all questions put to them truthfully and to the best of their ability and the Company shall instruct its officers, directors, employees, agents, consultants, bankers, accountants, solicitors and other advisors to provide any and all Information required by Deloitte. Deloitte may make copies of any and all documents, including electronically stored data and computer records, which Deloitte considers necessary to complete its review.
2. Agrees to use reasonable skill, care and attention to ensure that all information provided to Deloitte is accurate and complete and will notify Deloitte if it subsequently learns that the Information provided is incorrect or inaccurate or otherwise should not be relied on.
3. Authorizes the Lender to disclose to Deloitte any information the Lender has concerning the Company, its business and affairs. In addition, the Company authorizes Deloitte to report any financial or other information gathered by Deloitte to the Lender and its advisors.
4. Agrees that neither the Lender nor Deloitte shall have any responsibility for any decisions and activities by the Company during the period of the review by Deloitte and that Deloitte will have no management responsibilities to the Company and that nothing herein or done pursuant to this engagement will constitute an arrangement, agreement or relationship between the Company and Deloitte. The Company will be solely responsible for making all management decisions, performing all management functions and establishing and maintaining internal controls, including, without limitation, monitoring ongoing activities. The Company shall not hold out to any person that Deloitte is acting other than as a consultant to the Lender for the purpose of reporting and making recommendations to the Lender on the operations and affairs of the Company.
5. Acknowledges that all of the terms of the security and guarantees given to the Lender in relation to the credit facilities and indebtedness and liabilities of the Company to the Lender remain in full force and effect and are in no way waived or restrained, notwithstanding this appointment of Deloitte, as consultant. The engagement of Deloitte shall not prejudice or impair or adversely affect the rights and remedies of the Lender against the Company or any guarantor or pursuant to any security, guarantees or agreements the Lender may have or require the Lender to delay in enforcing any of these rights and remedies, nor shall it operate as a waiver by the Lender of any defaults or events of default which may exist in relation to any of the credit facilities of the Company with the Lender or any security, guarantees or other agreements held by the Lender.

Consent and agreement
Page 2

- 6. Agrees that Deloitte may obtain legal advice from the Lender's legal advisers relative to this engagement.
- 7. Agrees to indemnify the Lender with respect to the fees and expenses of Deloitte, including legal costs, related to this engagement and authorizes the Lender to debit the Company's account to cover these costs, including goods and services tax. Any fees paid by the Lender on behalf of the Company shall be treated as an advance to the Company, secured by the Lender's security documentation.
- 8. Agrees that neither Deloitte nor the Lender shall have any liability, responsibility or obligation to the Company, or any persons who have provided guarantees to the Lender, whatsoever, whether in contract, negligence, tort or otherwise, arising in respect of any cause, matter or thing existing as of the date hereof or arising in respect of this engagement of Deloitte by the Lender or any addition to or variation thereof, and the Company agree to indemnify and save each of Deloitte and the Lender harmless of and from any and all claims, demands, liabilities, losses and expenses sustained or incurred by either or both of them arising out of the engagement of Deloitte as consultant in accordance herewith.
- 9. Agrees that during the course of this engagement, Deloitte may collect personal information about identifiable individuals ("Personal Information"), either from the Company or from third parties. The Company and Deloitte agree that Deloitte will collect, use and disclose Personal Information solely for purposes related to its appointment as consultant by the Lender.

By signature of the undersigned signing officer, the Company further acknowledges and confirms that the Company has received no commitment, representation or warranty from the Lender or Deloitte in connection with this engagement, and the Lender reserves all rights and remedies, including the rights to enforce and realize on the security and guarantees it holds as it in its sole discretion considers appropriate. The Company also acknowledges having been informed that, depending upon subsequent events, Deloitte & Touche Inc. may be appointed to act as agent, interim receiver, receiver, receiver and manager, CCAA monitor, trustee in bankruptcy, trustee under a *Bankruptcy and Insolvency Act* proposal of any of the undertaking, property and assets of the Company and the Company agrees that it will not object to the appointment of Deloitte & Touche Inc. in any capacity and that such appointment shall not be a conflict of interest by virtue of Deloitte & Touche LLP having been appointed as consultant as provided for herein.

Dated at _____, this _____ day of June, 2010.

On behalf of Ellen Pun; Ellen Associates Ltd.; Ellen's Food Group Inc.; Ellen's Health Food Ltd. and Ellen's Investment Holding

Signature of authorized signing officer

Name

Title

General business terms

The following general business terms (the “terms”) apply to the engagement agreement between Deloitte & Touche LLP (“Deloitte”) and HSBC Bank Canada (the “Lender”) except as expressly set forth in the engagement letter to which these Terms are attached (the “engagement letter”).

1. Contracting parties

- a. **Definitions:** “Deloitte” or “Deloitte Canada” shall mean the Ontario limited liability partnership Deloitte & Touche LLP. “Deloitte Entities” shall mean Deloitte Canada and its directors, officers, partners, principals, professional corporations, employees, agents, subsidiaries and affiliates and to the extent providing services under the engagement letter, the member firms of Deloitte Touche Tohmatsu, the subsidiaries and affiliates of such member firms, and all of their respective directors, officers, partners, principals, professional corporations, employees, agents; and in all cases any successor or assignee.
- b. This engagement letter is between the Lender and Deloitte Canada. The Lender agrees that its relationship is solely with Deloitte Canada as the entity contracting with the Lender to provide the services covered by this engagement letter. Notwithstanding the fact that certain services covered by this engagement letter may be carried out by personnel provided to Deloitte Canada from other Deloitte Entities through service or other agreements, Deloitte Canada remains solely responsible and liable to the Lender for all services covered by the engagement letter. Accordingly, the Lender agrees that none of the Deloitte Entities (except Deloitte Canada) will have any liability to the Lender, and the Lender will not bring any claims or proceedings of any nature (whether in contract, tort, breach of statutory duty, or otherwise and including, but not limited to, a claim or negligence) in any way in respect of or in connection with this engagement against any of the Deloitte Entities (except Deloitte Canada) or against any subcontractors that Deloitte Canada may use to provide the services covered by this engagement letter.
- c. To the extent that Deloitte Entities (other than Deloitte Canada) are providing services to Deloitte Canada in connection with this engagement as subcontractors to Deloitte Canada, then the term “Deloitte” should read as “Deloitte Entities” for purposes of these Terms.

2. Services

- a. It is understood and agreed that the services to be provided under the Engagement Letter (the “Services”) may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and be made by, the Lender. In connection with Deloitte’s Services, Deloitte shall be entitled to rely on all decisions and approvals of the Lender.
- b. The Services conducted by Deloitte cannot be relied upon to disclose errors or fraud should they exist. The Services will not constitute an audit conducted in accordance with generally accepted auditing standards, an examination or compilation of, or the performance of agreed upon procedures with respect to prospective financial information, an examination of or any other form of assurance with respect to internal controls, or other attestation or review services in accordance with standards or rules established by the CICA or other regulatory body. Deloitte will not express an opinion or any

General business terms

Page 2

other form of assurance on any operating or internal controls, financial statements, forecasts, projections or other financial information.

- c. Neither the Services or the Lender Communications or any advice or reports in connection therewith are intended to be, nor shall be construed to be, "investment advice" within the meaning of the US Investment Advisors Act of 1940. In the performance of the Services, Deloitte will not perform any evaluation of internal controls and procedures for financial reporting upon which the Lender's management can base its assertion in connection with the US Sarbanes-Oxley Act of 2002 or related rules or regulations ("Sarbanes-Oxley"). Deloitte will make no representations or warranties and will provide no assurances that the Company's disclosure controls and procedures are compliant with the certification requirements of and internal controls and procedures for financial reporting are effective as required by Sarbanes-Oxley or any other standards or rules, including, without limitation, Sections 302 and 404 of Sarbanes-Oxley. The Services will be conducted in accordance with these Terms and, to the extent performed by the subsidiaries of Deloitte & Touche USA LLP, in accordance with the *Statement of Standards for Consulting Services* established by the American Institute of Certified Public Accountants.

3. Term

Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of the Services. Either party may terminate this engagement at any time upon giving at least five (5) days written notice to that effect to the other party, provided that in the event of termination for cause, the breaching party shall have the right to cure the breach within the notice period. In the event of termination pursuant to this paragraph, the Lender agrees to compensate Deloitte Canada under the terms of the Engagement Letter for Services performed and expenses incurred through the effective date of termination.

4. Timely performance

Deloitte will endeavour to complete within any agreed upon time-frame the performance of the Services. However, Deloitte will not be liable for failures or delays in performance that arise from causes beyond Deloitte's control, including the untimely performance by the Company of its obligations in assisting Deloitte with respect to this engagement.

5. Fees and payment

- a. Unless otherwise specifically agreed in the engagement letter, Deloitte's fees will be based on standard hourly rates, which vary depending upon the experience level of the professionals involved. In the normal course of business, Deloitte revises its standard hourly rates to reflect changes in responsibilities, increased experience, and increased costs of doing business. Changes in standard hourly rates will be noted on the invoices for the first time period in which the revised rates become effective.
- b. In addition to professional fees, the Lender will reimburse Deloitte Canada for Deloitte's reasonable out of pocket expenses incurred in connection with this engagement, including travel, meals, hotels and disbursements for outside legal counsel or any other consultants engaged by Deloitte with the prior consent of Lender. Expenses will be stated separately on the invoices.
- c. All fees and other charges do not include any applicable federal, provincial or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by the Lender without deduction from the fees and charges hereunder.

General business terms

Page 3

- d. Invoices will be rendered on a regular basis as the engagement progresses. All invoices shall be due and payable when rendered. Without limiting its rights or remedies, Deloitte shall have the right to halt or terminate its services entirely if payment is not received within thirty (30) days of the invoice date. Interest shall be calculated at a simple daily rate of 0.0493% (equivalent to 18% per annum). Interest shall be charged and payable at this rate on any part of an invoice that remains unpaid from thirty (30) days after the invoice date to the date on which the outstanding invoice is paid.
- e. To the extent that as part of the Services to be performed by Deloitte as described in the engagement letter, Deloitte Canada personnel are required to perform the services in the United States of America ("US Business"), the Lender and Deloitte Canada agree to assign performance of the US Business to Deloitte Canada LLP, an affiliate of Deloitte. All services performed by Deloitte Canada LLP shall be performed under the direction of Deloitte Canada which shall remain responsible to the Lender for such Services. Deloitte Canada LLP shall invoice the Lender with respect to the US Business and Deloitte will invoice for services performed in Canada ("Canadian Business"). Payment for US business and/or Canadian Business can be settled with one payment to Deloitte.

6. Independence

- a. Deloitte Canada may terminate this engagement upon written notice to the Lender if it determines that
 - (i) a governmental, regulatory or professional entity (including, without limitation, provincial accounting institutes, Canadian and foreign securities commissions, the Canadian Public Accountability Board and the Public Company Accounting Oversight Board) or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation or decision the result of which would render the performance by Deloitte of any part of the engagement illegal or otherwise unlawful or in conflict with independence or professional rules, or
 - (ii) circumstances change (including, without limitation, changes in ownership of the Lender or any of its affiliates) such that the performance by Deloitte of any part of the engagement would be illegal or otherwise unlawful or in conflict with independence or professional rules. Upon termination of the engagement, the Lender will compensate Deloitte Canada under the terms of the Engagement Letter for the Services performed and expenses incurred through the effective date of termination.
- b. The Lender shall provide Deloitte Canada with prompt written notice if the Lender or any of its subsidiaries or affiliates engages Deloitte Canada or a member firm of Deloitte Touche Tohmatsu or any affiliate of such a member firm to provide audit related services. In the event that Deloitte, a member firm of Deloitte Touche Tohmatsu or any affiliate of such a member firm, provides audit services for Lender, parent of Lender or affiliate of Lender, Lender acknowledges that Lender has adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte Canada or member firm of Deloitte Touche Tohmatsu or any affiliate of such a member firm in accordance with applicable laws, regulations and rules that apply to the Lender, including audit committee pre-approval requirements.

7. Conflict of interest

- a. *Notification and resolution.* Should Deloitte Canada determine that there is a potential conflict of interest in connection with its performance of the Services, Deloitte Canada will advise the Lender promptly and endeavour to resolve such potential conflict. Also, the Lender agrees to notify Deloitte Canada promptly of any potential conflict affecting this engagement of which it is, or becomes aware. Where a potential conflict is identified by either party and Deloitte Canada believes the Lender's interests can be properly safeguarded by the implementation of appropriate procedures, Deloitte Canada will discuss and agree such procedures with the Lender.

General business terms

Page 4

- b. **Non-exclusivity.** Having engaged Deloitte Canada for the limited purpose set out in the engagement letter, the Lender agrees on behalf of itself and its affiliates that no Deloitte Entity is precluded from acting in any capacity for any other party and that the Lender's engagement of Deloitte Canada in this matter will not be asserted by the Lender as a basis for disqualifying Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu or any of their respective affiliates from acting for any other party. The Lender agrees to waive any real or potential conflict of interest of Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu or any of their respective affiliates in connection with Deloitte's Services for the Lender under the terms of the Engagement Letter.

In the event that Deloitte Canada, an affiliate of Deloitte Canada or a member firm of Deloitte Touche Tohmatsu or any of their respective affiliates acts for any other party, (i) Deloitte will not disclose any Confidential Information (defined below) that the Lender provides to Deloitte in connection with this engagement and will not use such Confidential Information for another party's benefit, and (ii) Deloitte will establish appropriate ethical walls between the persons involved in advising the Lender under this engagement and the persons involved in advising another party.

8. Lender responsibilities

- a. **Cooperation.** The Company shall cooperate with Deloitte in the performance by Deloitte of the Services, including, without limitation, providing Deloitte with reasonable facilities and timely access to data, information and personnel of the Company. The Company shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Deloitte for purposes of the performance by Deloitte of the Services hereunder.
- b. **Management.** The Lender shall be solely responsible for, among other things: (i) making all management decisions in connection with the loan; (ii) designating a competent management member to oversee the Services; (iii) evaluating the adequacy and results of the Services; (iv) accepting responsibility for the results of the Services.

9. Information

- a. **Access and reliance.** The Lender will make available to Deloitte all information (financial or otherwise) reasonably necessary to enable Deloitte to provide the Services. The Lender will also provide Deloitte with any information, advice and opinions relevant to the engagement that may be delivered by third parties, such as legal counsel (except where necessary to preserve privilege) and accounting, financial, environmental or other advisors, and will ensure that such third parties cooperate with Deloitte on matters considered by Deloitte to be relevant to the engagement. In carrying out its Services, Deloitte will rely on information that is publicly available, prepared or supplied by the Lender or provided to Deloitte by third parties. Deloitte will be entitled to rely on, and is under no obligation to verify, the accuracy or completeness of such information and Deloitte has no responsibility for the accuracy or completeness of the information provided by, or on behalf of, Lender or other parties, even if Deloitte had reason to know or should have known of such inaccuracy or incompleteness. This engagement cannot be relied upon to disclose errors or fraud should they exist. Further, Deloitte is under no obligation to investigate any changes that may occur in such information subsequent to the date thereof.
- b. The Company represents and warrants that all information provided to Deloitte Canada, directly or indirectly, orally or in writing, by the Company or its agents and advisors in connection with the engagement will be accurate and complete in all material respects and will not be misleading in any material respect. Upon request, the Company will provide Deloitte Canada with a separate written

General business terms

Page 5

representation confirming the accuracy and completeness of the information provided to Deloitte Canada and the information included, or to be included, in any information documents with respect to the Company.

- c. **Confidentiality.** To the extent that, in connection with this engagement, Deloitte comes into possession of any proprietary or confidential information of the Company ("Confidential Information") including Personal Information as defined in section 12(b) below, Deloitte will not disclose such information to any third party and the Deloitte Entities, without the Lender's consent, except as may be required or permitted by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining thereto "Confidential Information" shall not include information which:
- i. shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Deloitte in breach hereof;
 - ii. is disclosed by the Lender or the Company to a third party without substantially the same restrictions as set forth herein;
 - iii. becomes available to Deloitte on a non-confidential basis from a source other than the Lender or the Company which Deloitte believes is not prohibited from disclosing such information to Deloitte by obligation to the Lender;
 - iv. is known by Deloitte prior to its receipt from the Lender or the Company without any obligation of confidentiality with respect thereto; or
 - v. is developed by Deloitte independently of any disclosures made by the Lender or the Company to Deloitte of such information.
- d. **Prospective financial information.** Unless Deloitte Canada and the Lender agree otherwise in the Engagement Letter, Deloitte will not compile, examine or apply other procedures to prospective financial information of the Company in accordance with Canadian Institute of Chartered Accountants Standards and accordingly, will express no opinion or any other form of assurance or representations concerning its accuracy, completeness or presentation format. Any financial forecasts or projections belong to the Company and are the sole responsibility of such management. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected or predicted, and those differences may be material.
- e. Deloitte will not return or provide records or information obtained in the course of the engagement to the Lender if it is illegal to do so or if Deloitte is requested to withhold the records or information by law enforcement or other public or regulatory authorities (regardless of whether the engagement has been terminated)

10. Reporting

- a. **Qualifications to advice, opinions, and reports.** Any advice, opinions, or reports provided by Deloitte will be made subject to, and will be based upon, such assumptions, limitations, qualifications and reservations as Deloitte, in its judgment, deems necessary or prudent in the circumstances, including without limitation: (i) the time available to perform the Services, (ii) the information, data, opinions, advice and representations made available to Deloitte, and (iii) access to the Lender's management, advisors and agents.
- b. **Amendments to reports.** Deloitte reserves the right to amend its advice, opinions, and reports accordingly, in the event that new information becomes available which may be contrary to or different from that which is set out to the Lender in documents or verbal reports. Notwithstanding the foregoing, Deloitte has no responsibility for performing any services or procedures beyond those agreed to by Lender and Deloitte Canada or for updating the Services performed.

- c. **Limitation on use and distribution.** Except as otherwise agreed in writing, all services in connection with this engagement shall be solely for the Lender's internal purposes and use, and this engagement does not create privity between Deloitte and any person or party other than the Lender ("third party"). This engagement is not intended for the express or implied benefit of any third party. No third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports, or Services of Deloitte. The Lender further agrees that the advice, opinions, reports or other materials prepared or provided by Deloitte are to be used only for the purpose contemplated by the Engagement Letter and shall not be distributed to any third party without the prior written consent of Deloitte Canada.
- d. **Ownership.** Deloitte shall retain all right, title and interest in the reports, opinions and other documents provided by Deloitte to the Lender and the Lender shall be entitled to use such material in accordance with section 10(c).

11. Indemnification and limitation on liability

- a. **Application.** The provisions of this Section 11 shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. This Section shall survive termination or expiry of the engagement. The provisions of this Section are not applicable to the extent that mandatory provisions of applicable regulatory bodies prohibit a professional financial advisor from limiting liability.
- b. **Limitation on liability.** The Lender and Deloitte Canada agree to the following with respect to Deloitte's liability to the Lender:
 - i. Deloitte shall not be liable to the Lender for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the Lender to Deloitte Canada pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of Deloitte.
 - ii. In no event shall Deloitte be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to this engagement or any loss of revenue or profit or any other commercial or economic loss or failure to realize expected savings.
 - iii. In any action, claim, loss or damage arising out of the engagement, the Lender agrees that Deloitte's liability will be several and not joint and several and the Lender may only claim payment from Deloitte of Deloitte's proportionate share of the total liability based on the degree of fault of Deloitte as finally determined by a court of competent jurisdiction.
- c. **Indemnification.** The Lender agrees to indemnify and hold harmless Deloitte from and against any and all claims, damages, costs, charges, liabilities and expenses, including all legal fees, claimed by any third party relating to the Services provided by Deloitte except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct by Deloitte.
- d. **Limitation on actions.** No action, regardless of form, relating to this engagement, may be brought by either party more than one year after the cause of action has accrued, except for an action for non-payment of fees.

12. Other

- a. **Regulatory or legal action.** The Lender will notify Deloitte Canada promptly of any request received by the Lender from any third party, including a regulatory authority, for any material information or for a meeting or hearing; the issuance of any restraining order; or the initiation of a proceeding or litigation relating to this engagement.

Subject to any professional issues including audit independence, if requested and if the parties agree, Deloitte will testify (as a non expert witness) or provide reasonable support services to the Lender before any governmental commission, regulatory authority or court. Any such testimony or support services will be confined to the services performed under this engagement. Deloitte shall have the right to employ counsel in connection with such testimony or support services.

Deloitte shall be paid for any time spent by its personnel in connection with such support at their standard hourly rates, which shall be separate and apart from any other professional fees payable hereunder. The Lender shall also reimburse Deloitte for its reasonable out-of-pocket costs, charges and expenses, including legal counsel, incurred in connection therewith. These fees and expenses shall be separate and in addition to any other fees or amounts payable under the provisions for payment of fees in the engagement letter.

- b. **Privacy.** Deloitte and the Lender acknowledge and agree that, during the course of this engagement, Deloitte may collect personal information about identifiable individuals ("Personal Information"), either from the Lender or from third parties. The Lender and Deloitte Canada agree that Deloitte will collect, use and disclose Personal Information on behalf of the Lender solely for purposes related to completing this engagement, providing services to the Lender and in a manner consistent with section 9(c) above. Deloitte shall not collect, use and disclose such Personal Information for Deloitte's own behalf or for its own purposes.
- c. **Survival and interpretation.** The agreements and undertakings of the Lender contained in the Engagement Letter, to which these terms are attached, together with the following sections of these Terms shall survive the expiration or termination of this engagement: 1, 2, 4, 5, 6, 8, 9, 10, 11 and 12.
- d. **Governing law.** These Terms, the Engagement Letter to which these terms are attached and all matters relating to this engagement (whether in contract, statute, tort (such as negligence), or otherwise), shall be governed by, and construed in accordance with, the laws of the Province where Deloitte Canada's principal office performing the engagement is located. Any action or proceeding relating to this engagement shall be brought in the Province where Deloitte Canada's principal office performing the engagement is located, and the parties submit to the jurisdiction of the courts of that Province and waive any defence of inconvenient forum to the maintenance of such action or proceeding.
- e. **Severability.** If any provision of the Terms or the Engagement Letter is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
- f. **Entire agreement.** These Terms and the Engagement Letter to which these terms are attached is the complete agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, proposals, negotiations, representations or warranties of any kind whether oral or written.
- g. **Assignment.** Except as provided below, neither party may assign, transfer or delegate any of its rights or obligations hereunder (including, without limitation, interests or claims relating to this engagement) without the prior written consent of the other party. Deloitte Canada may, without the consent of the Lender, assign or subcontract its rights and obligations hereunder to (i) any affiliate or related entity or (ii) any entity which acquires all or a substantial part of the assets or business of Deloitte Canada.

- h. **Currency.** All financial references herein are to Canadian dollars unless specifically indicated otherwise. If it is necessary to convert any amounts into Canadian dollars, a prevailing commercial bank exchange rate at closing or the time of the invoice shall be used.
- i. **Notices.** Any notice or other communication required or permitted to be given under this engagement shall be in writing and shall be sufficiently given or made by delivery or by post or by telecopy or similar facsimile transmission (with confirmation of accurate and complete transmission obtained by the sender) to the respective parties. Any notice so given shall be deemed conclusively to have been given and received when so personally delivered or posted or so telecopied or transmitted, except that any notice delivered after 5:00 p.m. on the day prior to a non-business day shall be deemed to have been received at 9:00 a.m. on the first business day following delivery. Any party may change its address, telephone number or facsimile number by notice to the others in the manner set out above.
- j. **Communication.** Except as instructed otherwise in writing, each party may assume that the other approves of properly addressed fax, email (including email exchanged via Internet media) and voicemail communication of both sensitive and non-sensitive documents and other communications concerning this engagement, as well as other means of communication used or accepted by the other.
- k. **Non-solicitation of personnel.** Each party acknowledges that the other party's personnel who participate in the engagement are critical to the servicing of its customers. Deloitte and the Lender agree not to solicit, hire or otherwise retain the other party's engagement team members for a period of six (6) months following any such engagement team member's involvement in the performance of this engagement. This provision may be waived upon written agreement between the parties. This provision shall not restrict the right of either party to solicit or recruit generally in the media or as part of general recruiting efforts by third party recruiters, and shall not prohibit either party from hiring an employee of the other who answers any advertisement, responds to such general recruiting efforts, or who otherwise voluntarily applies for hire without having been initially personally solicited or recruited by Deloitte or the Lender respectively.
- l. **Language.** The parties have requested that this Agreement and all communications and documents relating hereto be expressed in the English language. Les parties ont exigé que la présente convention ainsi que tous les documents s'y rattachant soient rédigés dans la langue anglaise.

EXHIBIT “G”

ThorntonGroutFinnigan

THE RESTRUCTURING & LITIGATION BOUTIQUE

Danny M. Nunes
 Direct: 416-304-0592 E-mail: dnunes@tgf.ca
 File No.: 100-333

June 24, 2010

VIA COURIER AND REGISTERED MAIL

Ellen's Food Group Inc.
 25 Centurian Dr.
 Suite 203
 Markham, ON L3R 5N8

Attention: Ellen Pun

Dear Madam:

Re: Indebtedness of Ellen's Food Group Inc. ("Ellen's Food") to HSBC Bank Canada ("the Bank")

We are the solicitors for the Bank with respect to the above-captioned matter.

We refer to the Loan Agreement dated February 10, 2005, as amended by the letter dated June 26, 2006, and the Master Equipment Lease No. 230857.ON dated June 3, 2005, which lease was consolidated with Master Equipment Lease No. 231667.ON dated September 13, 2006 on October 21, 2008, between Ellen's Food and the Bank, (collectively, the "Agreement"). The aggregate amount of Ellen's Food's indebtedness to the Bank pursuant to the Agreement is \$1,753,971.19 as at June 24, 2010, not including costs to date (the "Indebtedness").

As security for the Indebtedness, Ellen's Food granted the Bank a security interest in all of Ellen's Food's assets pursuant to a General Security Agreement dated June 3, 2005 in addition to the Collateral referenced in the Master Lease and all schedules thereto. The Indebtedness of Ellen's Food to the Bank is payable on demand.

On behalf of the Bank, we hereby demand payment from you of the Indebtedness together with interest and costs thereon to the date of payment. Interest continues to accrue on the Indebtedness at a per diem rate that varies with the Bank's prime rate based on the amount outstanding on a daily basis.

We also enclose herewith a Notice of Intention to Enforce Security delivered to you in accordance with the *Bankruptcy and Insolvency Act* (Canada). If you wish to consent to the Bank enforcing its rights and remedies without further delay, please date and execute one copy of the consent attached to the enclosed Notice of Intention to Enforce Security and return same to

ThorntonGroutFinnigan LLP


Suite 3200, Canadian Pacific Tower, 100 Wellington St. West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Canada M5K 1K7
 Phone: (416) 304-1616 Fax: (416) 304-1313 www.tgf.ca

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the undersigned by facsimile forthwith.

Yours truly,

ThorntonGroutFinnigan LLP


Danny M. Nunes
DMN/mm

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

To: Ellen's Food Group Inc., an insolvent person


Take notice that:

1. HSBC Bank Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
 - (a) All present and after acquired personal property, wheresoever located.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement dated June 3, 2005;
 - (b) Security over Cash, Credit Balances and Deposit Instruments by Third Party dated June 3, 2005; and
 - (c) Master Equipment Lease (lease no. 230857.ON) dated June 3, 2005.
3. The total amount of the indebtedness secured by the security is \$1,753,971.19 as of June 24, 2010 plus interest accruing thereafter and costs thereafter incurred by or charged to the Bank. Interest accrues on the Credit Facilities at a rate that varies with the Bank's prime rate.
4. The secured creditor will not have the right to enforce the security until the expiry of the 10-day period after this notice is sent, unless the insolvent person consents to an earlier enforcement.

Dated at Toronto this 24th day of June, 2010.

**HSBC BANK CANADA,
by its solicitors herein, ThorntonGroutFinnigan LLP**

Per:


Danny M. Nunes
File No. 100-333

ThorntonGroutFinnigan LLP
100 Wellington St. West, Suite 3200
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto ON M5K 1K7

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CONSENT**TO: HSBC BANK CANADA (the "Bank")****FROM: ELLEN'S FOOD GROUP INC. (the "Insolvent Person")**

The Insolvent Person acknowledges receipt of a Notice of Intention to Enforce Security delivered by the Bank.

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

DATED at _____ this _____ day of June, 2010.

Ellen's Food Group Inc.

Per: _____ c/s

Name:

Title:

I have the authority to bind the Corporation.

EXHIBIT “H”

ThorntonGroutFinnigan

THE RESTRUCTURING & LITIGATION BOUTIQUE

Danny M. Nunes
 Direct: 416-304-0592 E-mail: dnunes@tgf.ca
 File No.: 100-333

June 24, 2010

VIA COURIER AND REGISTERED MAIL

Ellen Yuk Yee Pun
 13779 Leslie Street
 Aurora, ON L4G 7C5

Dear Madam:

Re: Indebtedness of Ellen's Food Group Inc. ("Ellen's Food Group"), Ellen's Health Food Ltd. ("Ellen's Health Food"), Ellen's Investment Holding Ltd. ("Ellen's Investment") and Ellen Associates Ltd. ("Ellen Associates") to HSBC Bank Canada (the "Bank")

We are the solicitors for the Bank with respect to the above-captioned matter.

We refer to the following Loan Agreements: (i) Loan Agreement dated February 10, 2005 and Master Equipment Lease No. 230857.ON dated June 3, 2005 between Ellen's Food Group and the Bank; (ii) Master Equipment Lease No. 231667.ON dated September 13, 2006 between Ellen's Health Food and the Bank (which lease was consolidated with Master Equipment Lease No. 230857.ON on October 21, 2008); (iii) Loan Agreement dated June 30, 2009 between Ellen's Investment and the Bank; and (iv) Loan Agreement dated May 22, 2002 between Ellen Associates and the Bank (the "Loan Agreements"). The aggregate amount of the indebtedness of Ellen's Food, Ellen's Health Food, Ellen's Investment and Ellen Associates to the Bank pursuant to the Loan Agreements is \$2,384,719.33 as at June 24, 2010, not including costs to date (the "Indebtedness").

We also refer to your guarantees of the obligations of Ellen's Food, Ellen's Health Food, Ellen's Investment and Ellen Associates in the following amounts: (i) Ellen's Food dated June 3, 2005 in the amount of \$6,000,000; (ii) Ellen's Health Food dated September 13, 2006 in the amount of \$1,000,000; (iii) Ellen's Investment dated November 21, 2006 in the amount of \$1,070,000 and dated August 31, 2007 in the amount of \$2,400,000; and (iv) Ellen Associates dated June 6, 2002 in the amount of \$30,000 (the "Guarantees"). Your obligations under the Guarantees are payable on demand.

On behalf of the Bank, we hereby demand payment from you pursuant to the Guarantees of the amount of \$2,384,719.33, as at June 24, 2010, together with interest and costs accruing after the date thereof. The terms of the Guarantees provide that interest accrues on the above-noted amount at the same rate of interest provided for under the Loan Agreements. As of the date

ThorntonGroutFinnigan LLP

Suite 3200, Canadian Pacific Tower, 100 Wellington St. West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Canada M5X 1K7
 Phone: (416) 304-1616 Fax: (416) 304-1313 www.tgf.ca

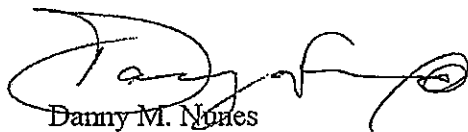
- 2 -

hereof, interest is accruing at a per diem rate that varies with the Bank's prime rate based on the amount outstanding on a daily basis.

If you fail to pay the amount indicated, the Bank shall pursue its rights and remedies against you, whereupon you shall be liable for additional interest and costs.

Yours truly,

ThorntonGroutFinnigan LLP

A handwritten signature in black ink, appearing to read "Danny M. Nunes", written over a horizontal line.

Danny M. Nunes
DMN/mm

EXHIBIT “I”

APPOINTMENT

TO: DELOITTE & TOUCHE INC., 181 Bay Street, Suite 1400, Brookfield Place, Toronto, ON, M5J 2V1

RE: ELLEN'S FOOD GROUP INC. (the "Company")

As part of the security for the indebtedness of the Company to HSBC Bank Canada (the "Secured Creditor"), the Company has executed and delivered a general security agreement ("GSA"), dated June 3, 2005 to the Secured Creditor.

The undersigned hereby declares that one or more events of default have occurred or have been committed by the Debtor and the GSA has therefore become enforceable pursuant to its provisions. The Secured Creditor has reviewed the GSA and is satisfied as to its entitlement to appoint a receiver at this time.

The Company is in default of its obligations to the Secured Creditor, the Secured Creditor has issued a demand for repayment, including the requisite statutory notice under the *Bankruptcy and Insolvency Act*, and the security referred to herein has become enforceable.

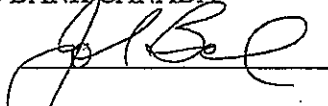
The Secured Creditor hereby appoints DELOITTE & TOUCHE INC. as receiver (the "Receiver") over the property, assets and undertaking of the Company pursuant to the GSA.

The rights and powers conferred hereby are in supplement to, and not in substitution of, any of the rights of the Secured Creditor from time to time.

This Appointment may be executed in counterparts.

Dated at Toronto, Ontario this 19th day of November, 2010.

HSBC BANK CANADA

Per: 
John Borch
Assistant Vice-President

Deloitte & Touche Inc. hereby consents to act as the Receiver over the property, assets and undertaking of the Company in accordance with the terms and conditions of the foregoing.

Dated at Toronto, Ontario this 19th day of November, 2010.

DELOITTE & TOUCHE INC.


Per: 
For Robert J. Bougie, CA.CIRP
~~Partner~~ Senior Vice President

EXHIBIT “J”



November 23, 2010

Ellen Pun Group
25 Centurian Dr.
Suite 203
Markham, ON L3R 5N8

Dear Madam:

Re: Indebtedness of Ellen's Food Group Inc. ("Food Group"), Ellen's Health Food Ltd. ("Health Food") (together, the "Companies") and Ellen Pun ("Pun") to HSBC Bank Canada (the "Bank")

WHEREAS:

- (a) pursuant to the Facility Letter dated February 10, 2005, as amended, (the "Food Group Commitment Letter") the Bank made available the following credit facilities to Food Group (the "Credit Facilities"):
- (i) demand revolving loan in the principal amount of \$2,000,000 (the "Food Group Operating Loan") available by way of Current Account Overdraft, Match Fund Loan or Import Document Letter(s) of Credit and Import Loans in settlement of Documentary Letter(s) of Credit. As at November 23, 2010, the principal amount outstanding under the Food Group Operating Loan was the sum of \$0.00;
 - (ii) operating lease facility in the principal amount of \$3,000,000 (the "Food Group Lease Facility"). Pursuant to a Leasing Facility Letter dated July 27, 2006, as amended (the "Health Food Commitment Letter"), the Bank made available a leasing facility to Health Food (the "Health Food Lease Facility") in the amount of \$1,000,000. The Food Group Lease Facility was consolidated with the Health Food Lease Facility pursuant to the assignment and assumption agreement dated October 21, 2008 (the "Assignment and Assumption Agreement") (the Health Food Lease Facility and the Food Group Lease Facility are hereinafter referred to collectively as the "Food Group Lease Facility"). As at November 23, 2010, the amount outstanding under the Food Group Lease Facility, including HST and professional fees, was the sum of \$1,806,490.16;

(see cover letter)

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- (b) pursuant to the terms of the Assignment and Assumption Agreement, notwithstanding the assignment of the Health Food leases to Food Group, Health Food remains obligated to the Bank for payment of all rent and any other monies from time to time becoming due under those leases assigned to Food Group. As at November 22, 2010, the amount outstanding under the Health Food leases assigned to Food Group, including HST, was the sum of \$454,990.72; (see cover with)
- (c) pursuant to a Line of Credit/Overdraft Agreement dated February 20, 2003, the Bank extended a line of credit to Pun in the amount of \$200,000 (the "Pun Credit Line"). As at November 22, 2010, the principal amount outstanding under the Pun Credit Line was the sum of \$206,024.86, plus interest of \$2,295.40;
- (d) all amounts previously owed to the Bank by Ellen's Investment Holding Ltd. ("Ellen's Investment") and Ellen Associates Ltd. ("Ellen Associates") have been repaid and any and all credit facilities between the Bank and Ellen's Investment and Ellen Associates have been terminated;
- (e) pursuant to letters dated July 22, 2010, the Companies agreed that their respective accounts held with the Bank, as well as the joint account held in the name of Pun and Patsy Lai, would be closed and all credit balances transferred to Pun's personal account #032-058268-150;
- (f) pursuant to a letter dated July 22, 2010, the Pun Credit Line was converted into a demand non-revolving loan (the "Pun Demand Loan");
- (g) as security for their obligations to the Bank pursuant to the Credit Facilities, together with all other obligations of the Companies to the Bank, the Companies have granted to the Bank a security interest in their assets, property and undertaking pursuant to, amongst other things, a General Security Agreement and Master Lease Agreements;
- (h) Pun has guaranteed the obligations of Food Group and Health Food to the Bank pursuant to the following guarantees: (i) Food Group dated June 3, 2005 in the principal amount of \$6,000,000; and (ii) Health Food dated September 13, 2006 in the principal amount of \$1,000,000;
- (i) Pun is referred to herein as the "Guarantor" when referencing her obligations as guarantor of the Companies' obligations to the Bank and as "Pun" when referencing her obligations, in a personal capacity, to the Bank pursuant to the Pun Credit Line;
- (j) by letter dated June 25, 2010, the Bank retained Deloitte & Touche LLP ("Deloitte") as the Bank's consultant (the "Consultant") to review the business, assets, affairs and operations of the Companies and the Bank's security position, and report thereon to the Bank;

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- (k) the Bank has demanded repayment of the indebtedness owed to the Bank by the Companies under the Credit Facilities and the indebtedness owed by Pun under the Pun Credit Line, but has, subject to the approval of the Bank's credit committee, agreed to forbear from enforcing its rights and remedies at this time, subject to the exception(s) set forth herein, to allow sufficient time for the Companies and Pun to restructure their affairs and arrange alternate financing to repay the indebtedness of the Companies and Pun to the Bank on or before the Forbearance Deadline (as defined herein); and
- (l) in consideration of the Bank's forbearance as described herein, for the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by the Companies, the Guarantor and Pun, the Companies, the Guarantor and Pun hereby agree with the Bank as follows:

ACKNOWLEDGEMENT

1. The Companies, the Guarantor and Pun acknowledge that:

- (a) each of the foregoing recitals is true and correct;
- (b) unless otherwise specified, all capitalized terms contained herein have the same meanings as in the Food Group Commitment Letter, the Assignment and Assumption Agreement and all monetary amounts are expressed in Canadian dollars;
- (c) pursuant to the provisions of the *Limitations Act, 2002*, the Companies and Pun are indebted to the Bank under the Credit Facilities and the Pun Credit Line, respectively, in the amounts specified in this Agreement as at the date specified therein, together with interest and costs to the date of payment;
- (d) the Companies are in default of their obligations to the Bank under the terms of the Credit Facilities;
- (e) the indebtedness of ~~the Companies and Pun~~ to the Bank pursuant to the ~~Credit Facilities and the Pun Credit Line~~ ^{is} are payable on demand;
- (f) the Companies, the Guarantor and Pun have received formal written demands from the Bank with respect to the indebtedness of the Companies, the Guarantor and Pun to the Bank;
- (g) ~~the Bank is entitled to terminate the Credit Facilities and the Pun Credit Line and no further credit is available to the Companies and Pun, respectively, thereunder at the discretion of the Bank; and~~

- 4 -

- (h) all security now held by the Bank for the indebtedness and obligations of the Companies and the Guarantor to the Bank under the Credit Facilities, is valid, binding and enforceable in accordance with its terms.
2. The Guarantor acknowledges and agrees that each of its respective guarantees (as outlined above) are valid, binding and enforceable in accordance with their terms.
 3. The Companies, the Guarantor and Pun hereby consent to the terms of the Bank's forbearance and other accommodations as set out herein. The Companies, the Guarantor and Pun specifically acknowledge that they have no defences, counterclaims or rights of set-off or reduction to any claims which might be brought by the Bank under the security granted by the Companies or the Guarantor to the Bank or in respect of the Credit Facilities, based on their current knowledge or what they ought to know in the circumstances.
 4. The Companies, the Guarantor and Pun hereby agree that, upon the execution of this Agreement, they shall each absolutely and irrevocably release the Bank, Deloitte, each of their officers, directors, employees, solicitors and agents (the "Releasees") of and from any and all claims which they may have in respect of the Releasees up to and including the date hereof including, without limitation, any actions taken by the Bank in dealing with the Companies, the Guarantor, Pun, the Credit Facilities, the Pun Credit Line or with the administration of the Companies' and Pun's accounts with the Bank.
 5. In consideration of the Bank's forbearance and the other accommodations described herein, the Companies agrees to pay to the Bank a forbearance fee (the "Forbearance Fee") in the amount of \$10,000. The Companies, the Guarantor and Pun acknowledge that the Forbearance Fee has been actually earned by the Bank and is paid in consideration of the Bank's forbearance and other accommodations as described herein.

CONDITIONS PRECEDENT

6. The forbearance and other accommodations granted by the Bank hereunder are subject to approval by the Bank's credit committee. Approval of the terms of this Agreement shall only be sought if the Bank has received payment of the Forbearance Fee by 5:00 p.m. on November 23, 2010, or such later date as provided for below (the "Condition Precedent").

The Condition Precedent is for the sole benefit of the Bank and may be waived only by the Bank in writing. If the Condition Precedent is not complied with to the satisfaction of the Bank by 5:00 p.m. on November 23, 2010 or such later date as agreed to by the parties hereto, and the Bank will not waive satisfaction thereof, then the offer of forbearance and the other accommodations offered by the Bank hereunder shall be terminated.

Upon satisfaction of the Condition Precedent, unless a Forbearance Terminating Event (as defined herein) occurs under this Agreement, the Bank shall take no further steps

- 5 -

prior to January 31, 2011 (the "Forbearance Deadline") to enforce the security held by the Bank from the Companies or the Guarantor.

Pending credit committee approval of this Agreement, the Companies, the Guarantor, Pun and the Bank shall comply with the terms and conditions of this Agreement. In the event that the Bank's credit committee does not approve the terms of this Agreement, then this Agreement shall immediately be terminated and of no further force and effect and the representations, warranties and covenants of each of the Companies, the Guarantor, Pun and the Bank contained herein shall cease to have any effect and shall not survive termination of this Agreement, and the Forbearance Fee, if paid to the Bank, will be refunded to the Companies.

TERMS AND CONDITIONS OF FORBEARANCE

7. The Company and the Guarantor agree that the Credit Facilities are to be repaid in full, including any accrued interest, on or before the Forbearance Deadline.
8. The Bank shall receive payment in the amount of \$454,990.72 *see over letter* from Health Food in full satisfaction of Health Food's indebtedness to the Bank by no later than 5:00 p.m. on November 26, 2010 or such later date as agreed to by the Bank.
9. The Bank shall receive payment in the amount of \$150,000 from Pun on account of her indebtedness to the Bank under the Pun Demand Loan by no later than 5:00 p.m. on November 26, 2010 or such later date as agreed to by the Bank.
10. Food Group shall execute a consent in favour of the Bank for the appointment of a receiver over the property, assets and undertaking of Food Group which shall be held in escrow and shall only become effective upon the occurrence of the Forbearance Deadline or a Forbearance Terminating Event.
11. Food Group shall provide the Bank with the following by no later than 5:00 p.m. on December 3, 2010 or such later date as agreed to by the Bank: (i) a detailed list of accounts receivable with supporting documentation; (ii) confirmation that all rental payments are current for all premises leased by Food Group, with proof of payment; (iii) a current list of Food Group's priority payables, to be confirmed by Deloitte; and (iv) a complete list of the Guarantor's companies along with copies of the most recent financial statements for each company.
12. The Company, the Guarantor and Pun agree that the Credit Facilities and the Pun Credit Line shall be repaid in full, including any accrued interest, on or before the Forbearance Deadline.

AMENDMENTS TO CREDIT FACILITIES

13. The Companies and the Guarantor acknowledge and agree that, except as specifically amended herein, all terms and conditions of the Food Group Commitment Letter shall remain in effect, unamended.
14. Without limiting the Bank's right to exercise any of its rights and remedies at any time, the Companies, the Guarantor and Pun acknowledge and agree that, upon the occurrence of the Forbearance Deadline, or a Forbearance Terminating Event, the Bank may, at any time, terminate the Credit Facilities and the Pun Credit Line upon written notice to the Companies and Pun at which time no further credit will be available thereunder.
15. The Companies, the Guarantor and Pun acknowledge and agree that the Bank has reserved its rights on each banking day to not honour any cheques or other instruments drawn on the Companies' or Pun's accounts with the Bank if there is not sufficient credit under the Credit Facilities or the Pun Credit Limit to honour all such cheques or other instruments presented to the Bank for payment on that banking day. The Companies and Pun acknowledge that they are not entitled to borrow funds under the Credit Facilities and the Pun Credit Line, respectively, in excess of the maximum amount available thereunder as specified herein.

REPORTING REQUIREMENTS

16. The Companies shall strictly adhere to all reporting requirements as set out in the Food Group Commitment Letter, except as amended herein.
17. Food Group agrees that, effective upon execution of this Agreement, it shall provide the Bank with monthly financial statements by the 20th calendar day of each month. Should the 20th calendar day be a Saturday, Sunday or statutory holiday, monthly statements shall be provided to the Bank on the next day immediately following that is not a Saturday, Sunday or statutory holiday.
18. The Companies and the Guarantor hereby agree to provide the Bank or its agents, ~~including Deloitte~~, with any information regarding the financial position of the Companies or the security position of the Bank that the Bank may request from time to time. The Companies will continue to provide to the Bank all regularly scheduled reporting in accordance with the terms of the Food Group Commitment Letter, as amended herein.
19. The Companies and the Guarantor shall pay when due all claims which rank prior to the indebtedness and security held by the Bank from the Companies and the Guarantor (together "Prior Claims") which shall include, without limitation, all amounts owing or required to be paid, where a failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Bank's security or otherwise in priority to any claim by the Bank for the repayment of any amounts owing to it, including without limitation all amounts owing to

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any federal, provincial, municipal or other government entity or Crown corporation, all statutory, actual or deemed trusts, all withholdings and source deductions, all accrued and unpaid payroll, including vacation pay, all amounts owing in respect of any pension fund obligation, and all amounts owing to any person having a lien, encumbrance, trust or charge ranking in priority to the Bank's security as well as all "Priority Payables". "Priority Payables" means any amount identified by the Bank in its sole opinion as having a legal or practical priority over the Companies' direct indebtedness or any of the Guarantor's contingent indebtedness to the Bank or the security held by the Bank from the Companies or any of the Guarantor.

CONSULTANT

20. The Companies and the Guarantors hereby acknowledge and consent to the appointment of Deloitte as Consultant by letter dated June 25, 2010 and consent to the continued engagement of the Consultant to monitor the affairs of the Companies, including their financial performance, and report thereon to the Bank.
21. The Companies agree to provide the Consultant with full access to the Companies' books, records and premises for the purpose of carrying out its mandate. All of the costs incurred by the Bank in respect of the Consultant are for the account of the Companies.

ADDITIONAL COVENANTS

22. The Companies and the Guarantor represent, warrant, covenant and agree that all business in the nature of or related to the business transacted by the Companies prior to the date hereof shall continue to be transacted in the name of and for the account of the Companies at the Bank. In particular, no such business or transaction shall be performed in the name of or recorded or applied for the benefit of any person, firm or corporation other than the Companies. The Companies and the Guarantor acknowledge and agree that the Companies shall deposit all revenues, collections of accounts receivable and any other income generated by the Companies only to the Companies' accounts, ~~with the Bank~~.
23. The Companies confirm to and in favour of the Bank that all assets secured by the Bank's security are in existence, in the possession and control of the Companies and have not been transferred, sold, encumbered or impaired in any manner which would deteriorate from or adversely affect the value of same excluding inventory which is being sold in the ordinary course of business.
24. The Companies acknowledges that the Bank has requested that the position of each unsecured creditor of the Companies will not be adversely affected during the term of this Agreement, subject to the Companies' usual business practices.
25. The Companies agrees to comply with all applicable environmental laws and regulations and to advise the Bank promptly of any Action Requests or Violation Notices (as such terms are defined under the *Environmental Protection Act* (Ontario)) received concerning

- 8 -

any of the Companies' property and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environment related liability existing now or in the future with respect to any of the Companies' property. The Companies certify that no environmental laws or regulations have been violated with respect to any of the Companies' property and, to the best of their knowledge, no proceedings have or have been threatened to be instituted with respect to a breach of any environmental laws or regulations.

26. The Companies shall indemnify the Bank for any damage which the Bank may suffer or any responsibility which it may incur as a result of non-compliance by the Companies with any applicable environmental laws and regulations affecting the Companies' assets or its business.
27. None of the Bank's existing rights and remedies, and none of the existing defaults of the Companies, are waived by this Agreement but are specifically reserved and preserved. However, subject to approval by the Bank's credit committee of the terms of this Agreement and subject to the provisions of this Agreement, the Bank agrees not to take any further steps in enforcement of its rights and remedies against the Companies and the Guarantor prior to the Forbearance Deadline unless and until one of the following events has occurred (a "Forbearance Terminating Event"):
- Food Group*
- (a) any default or breach by the ~~Companies~~, the Guarantor or Pun occurs under this Agreement or any further default or breach by the Companies or the Guarantor, in the sole discretion of the Bank, of any obligation or covenant occurs under the Credit Facilities or any of the security held by the Bank from the Companies or the Guarantor;
 - (b) if the Companies, the Guarantor or Pun fails to make any payment when due to the Bank;
 - (c) any other creditor of the Companies, the Guarantor or Pun exercises or purports to exercise any rights against any of the property, assets or undertaking of the Companies, the Guarantor or Pun or if the Companies, the Guarantor, Pun or any creditor brings any proceeding or takes any other action under the BIA, the *Companies' Creditors Arrangement Act* (Canada), the *Business Corporations Act* of Ontario or Canada, the *Winding-Up Act* (Canada) or any similar legislation with respect to any of those parties;
 - (d) if any steps are taken by the Companies, the Guarantor or a third party to wind up or dissolve the Companies without the prior written consent of the Bank;
 - (e) any representation or warranty made by the Companies, the Guarantor or Pun in connection with the execution and delivery of this Agreement or in any of the security agreements held by the Bank shall prove to have been incorrect in any material respect at the time such representation or warranty was made;

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- (f) any default or failure by the Companies to make any payment of wages or other monetary remuneration payable by the Companies to its employees under the terms of any contract of employment, oral or written, express or implied (the "Payroll") or the failure by the Companies to pay to the relevant governmental authority when due any of the Priority Payables exigible in respect of a Payroll;
- (g) the sale, lease, transfer, relocation, abandonment or any other disposition of the assets of the Companies which are subject to the Bank's security without the express prior written consent of the Bank;
- (h) any default or failure by the Companies or the Guarantor to pay any of the Prior Claims or the Priority Payables when due;
- (i) if any of the representations or financial reporting information provided by the Companies to the Bank proves to be false, misleading, inaccurate or incorrect in any material respect at the time such representation or financial reporting information was made or delivered;
- (j) there has been, in the ^{reasonable} opinion of the Bank, a material adverse change in the affairs of the Companies, the Guarantor or Pun or with respect to the security position of the Bank after the date hereof or if any action which the Companies or the Guarantor may take only with the prior consent of the Bank is taken by the Companies or the Guarantor without such consent being previously obtained from the Bank;
- ~~(k) the Companies fail to fully cooperate with Deloitte; and~~
- (l) if the Companies fail to provide the Bank the reporting or other information specified herein or in the Food Group Commitment Letter or as required from time to time.

28. Upon the earlier of:

- (a) the Forbearance Deadline, or
- (b) the occurrence of a Forbearance Terminating Event

the Bank may immediately enforce all of its rights and remedies against the Companies, the Guarantor or Pun including, without limitation, enforcing the security held by the Bank from the Companies and the Guarantor.

29. The Companies, the Guarantor or Pun hereby irrevocably agree, upon request by the Bank, to duly execute or deliver or cause to be executed or delivered to the Bank such further instruments, agreements or similar documents or do or cause to be done such further acts as may be necessary or desirable in the opinion of the Bank, acting reasonably, to carry out the provisions and purposes of this Agreement.

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30. The Bank's forbearance from enforcing its rights and remedies against the Companies, the Guarantor and Pun and the other accommodations described herein are in the sole discretion of the Bank and may be terminated upon the occurrence of a Forbearance Terminating Event without requiring any further forbearance or delay on the part of the Bank.
31. All terms and conditions of the Credit Facilities and the Pun Credit Line and any other security delivered by the Companies or the Guarantor to the Bank shall continue in full force and effect save and except as amended by this Agreement. To the extent that any provision thereof is inconsistent with this Agreement, this Agreement shall prevail.
32. ^{FoodGro}~~The Companies~~ and the Guarantor covenant to and in favour of the Bank and agree that, except as permitted herein, they will not grant any further security on any of their property, assets or undertaking without the written consent of the Bank, which may be withheld by the Bank in its sole and unfettered discretion.
33. Subject to the terms of this Agreement, the Companies and the Guarantor may not pay to the shareholders of the Companies or the Guarantor or any party related within the meaning of the *Business Corporations Act* (Ontario) ("OBCA") to the Companies, or the shareholders thereof any amount whether by way of salary (outside of the ordinary course as defined by the Bank in its sole discretion), dividend, repayment of loans or otherwise without the Bank's prior written approval, which may be withheld by the Bank in its sole and unfettered discretion. The Companies and the Guarantor acknowledge and agree that any existing director or shareholder loans shall not be repaid by the Companies or the Guarantor and the Companies and the Guarantor shall not grant any loan to any officer or director of the Companies or the Guarantor or to any other related party as defined above.
34. The Companies and the Guarantor acknowledge and agree that there shall be no change of ownership or control of the Companies, as such term is defined within the meaning of the OBCA, without the Bank's prior written consent, which consent may be withheld in the Bank's sole and unfettered discretion.
35. The Companies, the Guarantor and Pun shall not loan funds, make equity investments or provide financial assistance to a third party by way of a guarantee, surety, or otherwise until such time as the Companies' and Pun's indebtedness to the Bank has been permanently repaid ^{without consent of the Bank.}
36. The Companies shall not amalgamate with another corporation, purchase or redeem their shares or otherwise reduce their capital until such time as the Companies' indebtedness to the Bank has been permanently repaid.
37. Time shall be of the essence of this Agreement and this Agreement shall be governed by the laws of the Province of Ontario.
38. This Agreement may be executed in counterparts, which counterparts taken together shall evidence an agreement as of the date first set out above.

- 39. The Companies, the Guarantor and Pun hereby acknowledge and agree that the Bank may apply any amounts outstanding to the credit of the Guarantor or Pun as a set-off or in combination of the Companies', the Guarantor's or Pun's indebtedness to the Bank. The application of any such funds shall be as the Bank may determine.
- 40. The Companies, the Guarantor and Pun agree to pay all actual present and future legal and agent fees and disbursements, including but not limited to those of Deloitte, incurred by the Bank in respect of or in any way related to the Companies, the Guarantor and Pun including, without limitation, the Bank's legal fees in connection with the preparation and enforcement of this Agreement.
- 41. The Companies, the Guarantor and Pun agree that all acknowledgements provided in this Agreement are effective notwithstanding the provisions of the *Limitations Act, 2002*.

Yours truly,

HSBC BANK CANADA

Per:



John Borch
Assistant Vice President

AGREED TO this _____ day of _____, 2010.

Borrowers:

ELLEN'S FOOD GROUP INC.

Per: _____

Name:

Title:

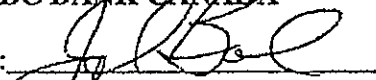
(I have authority to bind the Company.)

- 39. The Companies, the Guarantor and Pun hereby acknowledge and agree that the Bank may apply any amounts outstanding to the credit of the Guarantor or Pun as a set-off or in combination of the Companies', the Guarantor's or Pun's indebtedness to the Bank. The application of any such funds shall be as the Bank may determine.
- 40. The Companies, the Guarantor and Pun agree to pay all actual present and future legal and agent fees and disbursements, including but not limited to those of Deloitte, incurred by the Bank in respect of or in any way related to the Companies, the Guarantor and Pun including, without limitation, the Bank's legal fees in connection with the preparation and enforcement of this Agreement.
- 41. The Companies, the Guarantor and Pun agree that all acknowledgements provided in this Agreement are effective notwithstanding the provisions of the *Limitations Act, 2002*.

Yours truly,

HSBC BANK CANADA

Per:



John Borch
Assistant Vice President

AGREED TO this 23rd day of November, 2010.

Borrowers:

ELLEN'S FOOD GROUP INC.

Per: 

Name:
Title:

(I have authority to bind the Company.)

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ELLEN'S HEALTH FOOD LTD.

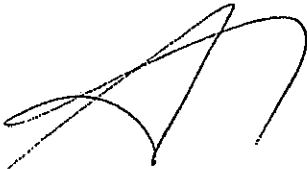
Per: _____

Name:

Title:

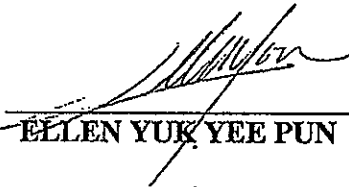
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Signing in Capacity as Personal Guarantor



Witness

A. Habes



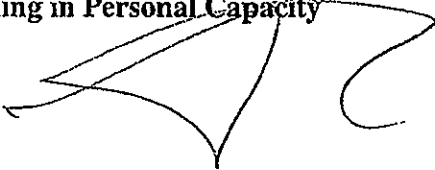
ELLEN YUK YEE PUN

Signing in Capacity as Subordinator

Witness

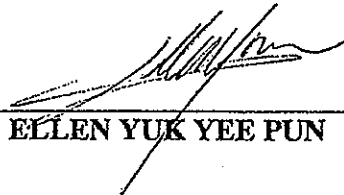
PATSY LAI

Signing in Personal Capacity



Witness

A. HABES



ELLEN YUK YEE PUN

ELLEN'S HEALTH FOOD LTD.

Per: _____

Name: ..

Title:

(I have authority to bind the Company.)

Signing in Capacity as Personal Guarantor

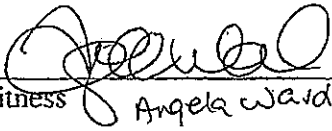


Witness A. Habcs



ELEN YUK YEE PUN

Signing in Capacity as Subordinator

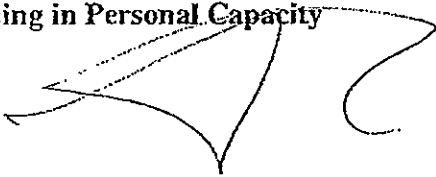


Witness Angela Ward



PATSY LAI

Signing in Personal Capacity



Witness A. HABCS



ELEN YUK YEE PUN

EXHIBIT “K”

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

HSBC BANK CANADA

Applicant

- and -

ELLEN'S FOOD GROUP INC.

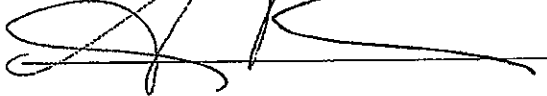
Respondents

CONSENT

THE PARTIES HERETO, by their solicitor, consent to the appointment of Deloitte & Touche Inc. as receiver for Ellen's Food Group Inc. pursuant to the proposed Order set out in the Applicant's Application Record and in accordance with the terms of the forbearance agreement dated November 23, 2010 between Ellen's Food Group Inc. and HSBC Bank Canada.

Dated at Toronto this 25 day of November, 2010

~~BRESVER GROSSMAN SHEININGER
& CRAPMAN LLP~~



ANDREA HABAS
 Lawyers for Ellen's Food Group Inc.

Court File No.: ▶

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ▶) ▶ THE ▶ DAY OF
JUSTICE ▶)
) ▶, 201▶

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

ELLEN'S FOOD GROUP INC.

Respondent

ORDER

THIS APPLICATION, made by the Applicant for an Order pursuant to Section 47.1(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 Deloitte & Touche Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of Ellen's Food Group Inc. (the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of ▶ sworn ▶, on hearing the submissions of counsel for the Applicant, on reading the Consent of the Respondent to the appointment of the Receiver and on reading the Consent of Deloitte & Touche Inc. to act as the Receiver:

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SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein be and is hereby abridged such that this Application is properly returnable today, that service upon any other party be and it is hereby dispensed with and that the service of the Notice of Application and the Application Record is hereby validated in all respects.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to Section 47 of the BIA and Section 101 of the CIA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. **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 and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, protect and maintain control of 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;

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- (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 powers and duties 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- 4 -

(i) without the approval of the Court in respect of any transaction not exceeding \$►, provided that the aggregate consideration for all such transactions does not exceed \$►; 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 case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

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

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

(p) to apply for permits, licenses, 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;

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

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

(s) to take any steps reasonably incidental to the exercise of these powers,

- 5 -

and in each such 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

4. **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.

5. **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 5 or in paragraph 6 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 communications or due to statutory provisions prohibiting such disclosure.

6. **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

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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 Record 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.

NO PROCEEDINGS AGAINST THE RECEIVER

7. **THIS COURT ORDERS** that no action, suit, 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

8. **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

9. **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 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 any 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.

- 7 -

NO INTERFERENCE WITH THE RECEIVER

10. **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

11. **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 the 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

12. **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

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

14. **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

15. **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 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 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

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. 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

17. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the "Receiver's Charge").

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

19. 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 normal rates

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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

20. **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 \$~~2~~ (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.

21. **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.

22. **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.

23. **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.

GENERAL

24. **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.

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25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever situate, having jurisdiction 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.

27. **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 situate, for the recognition of this Order and for assistance in carrying out the terms of this Order.

28. **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.

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SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver (the "Receiver") of all of the property, assets and undertaking of Ellen's Food Group Inc., appointed by Order of the Ontario Superior Court of justice (the "Court") dated the ► day of ►, 201► (the "Order") made in an action having Court File Number ►, 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 ► from time to time.
3. Such principal sum with interest thereon is, by terms of this 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 (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, 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 , 201 .

Name:

Title:

Deloitte & Touche Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

.

:

EXHIBIT “L”

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

HSBC BANK CANADA

Applicant

- and -

ELLEN'S FOOD GROUP INC.

Respondent

CONSENT OF DELOITTE & TOUCHE INC.

Deloitte & Touche Inc. hereby consents to act as receiver on terms substantially as provided in the Order contained in the Application Record of HSBC Bank Canada dated December 20, 2010.

Dated at Toronto this 20th day of December, 2010.

DELOITTE & TOUCHE INC.

Per: 

Robert Bougie
Senior Vice-President

HSBC BANK CANADA

Applicant
and

ELLEN'S FOOD GROUP INC.

Respondent

Court File No.: CV-10-9031-00CL

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

Proceedings commenced at Toronto

**AFFIDAVIT OF JOHN BORCH
SWORN DECEMBER 20, 2010**

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

Rachelle F. Moncur (LSUC#45474D)
Danny M. Nunes (LSUC#53802D)
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for HSBC Bank Canada

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEDNESDAY THE 29TH DAY OF
JUSTICE)
) DECEMBER, 2010

B E T W E E N:

HSBC BANK CANADA

Applicant

- and -

ELLEN’S FOOD GROUP INC.

Respondent

ORDER

THIS APPLICATION, made by the Applicant 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 Deloitte & Touche Inc. as receiver (the “Receiver”) without security, of all of the assets, undertakings and properties of Ellen’s Food Group Inc. (the “Debtor”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of John Borch sworn December 20, 2010, on hearing the submissions of counsel for the Applicant, on reading the Consent of the Respondent to the appointment of the Receiver and on reading the Consent of Deloitte & Touche Inc. to act as the Receiver:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record herein be and is hereby abridged such that this Application is properly returnable today, that service upon any other party be and it is hereby dispensed with and that the service of the Notice of Application and the Application Record is hereby validated in all respects.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to Section 243(1) of the BIA and Section 101 of the CJA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. **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 and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, protect and maintain control of 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;

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- (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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

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(i) without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each 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;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

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

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

(p) to apply for any permits, licenses, 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;

(q) 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;

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

- 5 -

(s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each such 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

4. **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.

5. **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 5 or in paragraph 6 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 communications or due to statutory provisions prohibiting such disclosure.

6. **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.

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7. **THIS COURT ORDERS** that no action, suit, 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

8. **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

9. **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 any 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

10. **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

11. **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

12. **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

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, including but not limited to wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, 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

14. **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

15. **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

16. **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

17. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and 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 (the “Receiver’s Charge”).

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

19. **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 normal 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

20. **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 (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 set out in section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

21. **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.

22. **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.

23. **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.

GENERAL

24. **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.

25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever situate, having jurisdiction 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.

27. **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 situate, 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.

28. **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'S CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. **THIS IS TO CERTIFY** that Deloitte & Touche Inc., the receiver (the "Receiver") of all of the property, assets and undertaking of Ellen's Food Group Inc., appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 29th day of December, 2010 (the "Order") made in an action having Court File Number ►, 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 ► from time to time.
3. Such principal sum with interest thereon is, by terms of this 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 (as defined in the Order), 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 ►, 2010.

Name:
Title:

Deloitte & Touche Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

.
:

HSBC BANK CANADA

Applicant

and

ELLEN'S FOOD GROUP INC.

Respondent

Court File No.: CV-10-9031-00CL

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

Proceedings commenced at **Toronto**

ORDER

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HSBC BANK CANADA

and

ELLEN'S FOOD GROUP INC.

Applicant

Respondent

Court File No. CV-10-9031-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPLICATION RECORD

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