

Commitment Letter

Canadian Sailing Expeditions Inc.

Attn: Douglas Prothero, President

**Re: Provision of Demand Non-revolving Operating Loan Facility (the "Credit Facility") by Growthworks Atlantic Venture Fund Limited (the "Lender") to Canadian Sailing Expeditions Inc. (the "Company")**

Dear Mr. Prothero:

The Lender is pleased to offer to the Company an additional debtor-in possession financing facility ("Second DIP Financing") up to \$350,000 on the same terms and conditions, *mutatis mutandis*, as set out in the Commitment Letter dated June 27, 2008 (the "First DIP Financing Commitment Letter"). Without limiting the generality of the foregoing, this Commitment Letter is conditional upon the following:

- (a) the Company shall have obtained a court order under the *Companies Creditors Arrangement Act* in form and content satisfactory to the Lender and its counsel including all of the matters set forth in section (b) of the "Conditions" section of the First DIP Financing Commitment Letter;
- (b) satisfaction of all other conditions set forth in the "Conditions" section of the First DIP Financing Commitment Letter applied *mutatis mutandis*; and
- (c) the delivery of legal documentation in form and substance satisfactory to the Lender, the Company and their respective legal counsel including the security described in the "Legal Documentation" section of the First DIP Financing Commitment Letter.

EXECUTED THIS 1<sup>st</sup> DAY OF August, 2008.

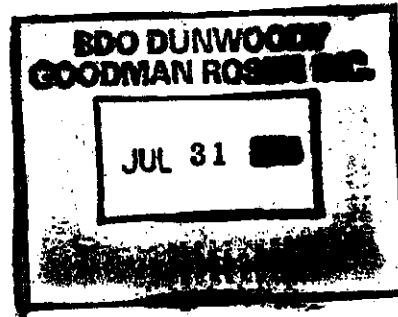
GROWTHWORKS ATLANTIC VENTURE  
FUND LIMITED, by its manager  
GROWTHWORKS ATLANTIC LTD.

Per:   
Thomas J. Hayes, President & CEO

ACCEPTED AND AGREED TO THIS \_\_\_\_\_ DAY OF August, 2008.

CANADIAN SAILING EXPEDITIONS INC.

Per: \_\_\_\_\_  
Douglas Prothero, President



July 31, 2008

48021  
Paul Goodman  
BDO Dunwoody Goodman Rosen Inc.  
Suite 620  
1718 Argyle Street  
Halifax, NS B3J 3N6

Dear Paul:

**Re: Canadian Sailing Expeditions Inc. ("CSE")**

You have asked us to provide to you, in your capacity as Monitor in CCAA proceedings in respect of the CSE, our opinion concerning outstanding security interests in the property of CSE and their priority.

Searches, Investigations and Understandings

For purposes of this opinion, we have:

1. Conducted a search for filings in Nova Scotia under the *Personal Property Security Act*, Nova Scotia, in respect of CSE. A copy of the PPSA report received is attached as Schedule "A".
2. Obtained transcripts of Registry from the Registry of Shipping in respect of:  
  
Sailing Vessel Caledonia ON #370458 (the "Caledonia"); and  
Hawk 1 ON #823708 (the "Hawk").

Copies of transcripts are attached as Schedule "B".

3. Obtained from CSE's solicitors, Cox and Palmer, and reviewed Investment, Loan and Security Documents entered into by CSE with the following lenders (the "Lenders") and among the Lenders:
  - (a) Growthworks Atlantic Venture Ltd. ("GWA")
  - (b) Caterpillar Financial Services ("Cat")
  - (c) Nova Scotia Business Inc. ("NSBI")
  - (d) Royal Bank of Canada ("RBC")

The Investment, Loan and Security Documents reviewed relate to:

- (a) A loan by Cat to CSE of \$5.4 million;
- (b) A guarantee by NSBI of the liabilities of CSE to Cat to a limit of \$2.5 million;
- (c) Investments by GWA in CSE of \$1.6 million and \$1.5 million;
- (d) An operating loan provided to CSE by RBC to a maximum amount of \$1.5 million; and
- (e) The Guarantee of GWA of the liabilities of CSE to RBC.

We understand that pursuant to a demand made on it GWA has paid CSE's liabilities to RBC.

We have not obtained or reviewed copies of security granted by CSE to Bodkin Capital Corporation ("Bodkin"). For purposes of this opinion, we have assumed that Bodkin has a valid Purchase Money Security Interest in the boats and other personal property described in their filings under the PPSA as set out in Schedule "A".

We have made no inquiries in respect of statutory liens or other liens which may form a charge on assets of CSE without registrations.

Based on and limited by the foregoing, we are of the opinion that:

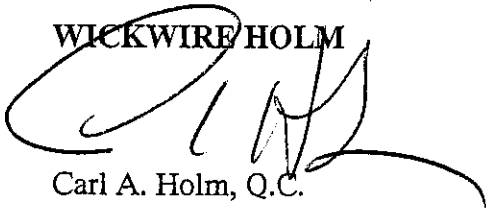
1. Bodkin has a first ranking security interest in the boats and other personal property described in its filings under the PPSA as set out in Schedule "A" for loans made for the acquisition of the described personal property.
2. Cat has a first ranking charge under the *Canada Shipping Act* and the PPSA in the Caledonia and all property relating to it or its operations and to the extent permitted by law in any right or permits relating to the Caledonia or its operations as security for the Cat loan.
3. NSBI has a second ranking security interest under the *Canada Shipping Act* and the PPSA in the Caledonia and all property relating to it or its operations and to the extent permitted by law in any rights or permits relating to the Caledonia and its operations, and under the PPSA a first ranking security interest in all other present and after acquired property of CSE including the Hawk, but excluding the property in which Bodkin has a security interest, as security for any amounts it may pay or be called on to pay to Cat pursuant to NSBI's guarantee of CSE liabilities to Cat.
4. GWA has a third ranking interest in the Caledonia, all property relating to it or to its operations and to the extent permitted by law in any rights or permits relating to the Caledonia and its operations and a second ranking security interest in all other present and after acquired personal property of CSE including the Hawk, but excluding the property in which Bodkin has a

security interest as security for its Investments in CSE and for amounts paid by it to RBC pursuant to its guarantee of CSE's liabilities to RBC.

This opinion is provided to you for use in your capacity as court appointed monitor in CCAA proceedings in respect of CSE and cannot be used or relied on for any other purpose.

Yours sincerely,

**WICKWIRE HOLM**

A handwritten signature in black ink, appearing to read 'C. Holm', is written over the printed name 'WICKWIRE HOLM'.

Carl A. Holm, Q.C.

*Direct Dial: 902.482.7001*  
*cholm@wickwireholm.com*

CAH/jth  
Enclosures  
#468420

SCHEDULE "A"

Nova Scotia

PPRS Search Result Report

3876610

This report lists registrations in the Personal Property Registry that match the following search criteria:

Province or Territory Searched: Nova Scotia  
 Type of Search: Debtors (Enterprise)

Search Criteria: Canadian Sailing Expeditions Inc.

Date and Time of Search: 2008-07-31 12:01  
 Transaction Number: 3876610  
 Searched By: B187361

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Registration Number	Enterprise Name	Place
*	*	11856531	Canadian Sailing Expeditions Inc.	Halifax
*	*	12438784	CANADIAN SAILING EXPEDITIONS INC.	Halifax
*	*	13235874	Canadian Sailing Expeditions Inc.	Halifax
*	*	13562442	CANADIAN SAILING EXPEDITIONS INC.	Halifax
*	*	13586607	CANADIAN SAILING EXPEDITIONS INC.	HALIFAX
*	*	13790852	CANADIAN SAILING EXPEDITIONS INC.	Halifax
*	*	14150866	Canadian Sailing Expeditions Inc.	Halifax
	*	12998845	CANADIAN SAILING EXPEDITIONS INC	HALIFAX
	*	13110564	CANADIAN SAILING EXPEDITIONS INC	HALIFAX

An "\*" in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

An "\*" in the 'Included' column indicates that the registration's details are included within the Search Result Report.

7 registration(s) contained information that **exactly** matched the search criteria you specified.

2 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

For more information concerning the Personal Property Registry, go to [www.acol.ca](http://www.acol.ca)

**Registration Details for Registration Number: 11856531**

Province or Territory: Nova Scotia  
 Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	11856531	2006-12-11 16:58	2011-12-11	PF 20588-16
Amendment	13675582	2008-03-28 16:38	2011-12-11	PF 20588-16
Amendment	14150965	2008-07-11 11:44	2011-12-11	PF 20588-16

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

### **Debtors**

Type: Enterprise  
 Canadian Sailing Expeditions Inc.  
 Prothero, Doug  
 President  
 1870 Upper Water Street  
 PO Box 2613  
 Halifax NS B3J 3N5  
 Canada

### **Secured Parties**

Type: Enterprise  
 GrowthWorks Atlantic Venture Fund Ltd.  
 Hayes, Mr. Thomas J.  
 1959 Upper Water Street, Suite 1401  
 Halifax NS B3J 3N2  
 Canada

### **General Collateral**

A security interest is taken in all of the debtor's present and after-acquired personal property.

### **Serial Numbered Collateral**

<b>Serial Number</b>	<b>Collateral Type</b>	<b>Description</b>	<b>Added By</b>	<b>Deleted By</b>
370565	Boat	Caledonia	11856531	
825706	Boat	Hawk 1	11856531	

### **Additional Information**

#### Added by registration number 13675582

The security interest represented by this registration and the security documents related thereto, are subordinated to the interests and security of Caterpillar Financial Services Limited as represented by PPR registration number 13235874, pursuant to a priorities agreement dated as of November 16, 2007 among Caterpillar Financial Services Limited, Nova Scotia Business Incorporated, Growthworks Atlantic Venture Fund Ltd., 3096000 Nova Scotia Limited and the Debtor.

#### Added by registration number 14150965

By Court Order dated July 4, 2008, Supreme Court of Nova Scotia, S.H. No. 297999, the security interest to which this registration relates has been subordinated to Registration No. 14150866.

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## **Registration Details for Registration Number: 12438784**

Province or Territory: Nova Scotia

Registration Type: PPSA Financing Statement

### Registration History

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	12438784	2007-05-16 18:25	2012-05-16	857206-RB10
Amendment	13675608	2008-03-28 16:41	2012-05-16	857206-RB10
Amendment	14150981	2008-07-11 11:46	2012-05-16	857206-RB10

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
 CANADIAN SAILING EXPEDITIONS INC.  
 PO BOX 2613, STATION CENTRAL  
 Halifax NS B3J 3N5  
 Canada

### Secured Parties

Type: Enterprise  
 Royal Bank of Canada  
 630 Rene Levesque W 1st Fl  
 Montreal PQ H3B 1S6  
 Canada

### General Collateral

Moneys or amounts that may from time to time be on deposit in the name of the Debtor with or owed to the Debtor by the secured party, Royal Bank Mortgage Corporation, The Royal Trust Company or Royal Trust Corporation of Canada or any two or more of them, and in Debtors rights in those moneys or those amounts, all proceeds of those moneys or those amounts, including, without limitation, goods (including inventory, equipment (equipment includes without limitation, machinery, tools, apparatus, plant, furniture, fixtures, aircraft and vehicles of whatsoever nature and kind) and consumer goods), instruments, intangibles, securities, chattel paper, and documents of title.

### Additional Information

#### Added by registration number 13675608

The security interest represented by this registration and the security documents related thereto, are subordinated to the interests and security of Caterpillar Financial Services Limited as represented by PPR registration number 13235874, pursuant to a priorities agreement dated as of March 28, 2008 among Caterpillar Financial Services Limited, Royal Bank of Canada and the Debtor.

#### Added by registration number 14150981

By Court Order dated July 4, 2008, Supreme Court of Nova Scotia, S.H. No. 297999, the security interest

to which this registration relates has been subordinated to Registration No. 14150866.

## Registration Details for Registration Number: 13235874

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

### Registration History

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	13235874	2007-11-23 10:09	2017-11-23	PF 20588-19
Amendment	14150999	2008-07-11 11:48	2017-11-23	PF 20588-19

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
Canadian Sailing Expeditions Inc.  
Prothero, Doug  
PO Box 2613  
Halifax NS B3J 3N5  
Canada

### Secured Parties

Type: Enterprise  
Caterpillar Financial Services Limited  
Tarasco, Renee  
700 Dorval Drive, Suite 705  
Oakville ON L6K 3V3  
Canada

### General Collateral

All present and after acquired accounts, equipment, goods, securities, instruments, documents of title, chattel paper, intangibles and money now or hereafter arising from or related to the operation of the vessel Caledonia, Official No. 370565 together with all goods, securities, instruments, documents of title, chattel paper, intangibles, and a right to an insurance payment or any other payment that indemnifies or compensates for loss or damage to the Collateral or proceeds of the Collateral, or money now or hereafter forming proceeds of the foregoing collateral.

### Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
370565	Boat	Sailing Vessel CALEDONIA Off# 370565	13235874	

### Additional Information

Sailing Vessel Caledonia Official No. 370565 together with all attachments, accessories, replacements, substitutions, additions and improvements thereto and all proceeds in any form derived directly or indirectly from any dealing with the collateral, and a right to an insurance payment or any other payment that indemnifies or compensates for loss or damage to the Collateral or proceeds of the Collateral.

Added by registration number 14150999

By Court Order dated July 4, 2008, Supreme Court of Nova Scotia, S.H. No. 297999, the security interest to which this registration relates has been subordinated to Registration No. 14150866.

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## Registration Details for Registration Number: 13562442

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

### Registration History

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	13562442	2008-02-29 11:52	2013-03-01	937983-RB10
Amendment	13675624	2008-03-28 16:43	2013-03-01	937983-RB10
Amendment	14151005	2008-07-11 11:49	2013-03-01	937983-RB10

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
CANADIAN SAILING EXPEDITIONS INC.  
PO BOX 2613 STN CENTRAL  
Halifax NS B3J 3N5  
Canada

### Secured Parties

Type: Enterprise  
Royal Bank of Canada  
630 Rene Levesque W 1st Fl  
Montreal PQ H3B 1S6  
Canada

### General Collateral

All of the Debtor's present and after-acquired personal property except for consumer goods and all proceeds thereof, including, without limitation, all of the Debtor's personal and after-acquired personal property.

### Additional Information

Added by registration number 13675624

The security interest represented by this registration and the security documents related thereto, are subordinated to the interests and security of Caterpillar Financial Services Limited as represented by PPR registration number 13235874, pursuant to a priorities agreement dated as of March 28, 2008 among Caterpillar Financial Services Limited, Royal Bank of Canada and the Debtor.

Added by registration number 14151005

By Court Order dated July 4, 2008, Supreme Court of Nova Scotia, S.H. No. 297999, the security interest to which this registration relates has been subordinated to Registration No. 14150866.

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### Registration Details for Registration Number: 13586607

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

#### Registration History

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	13586607	2008-03-06 11:39	Infinity	NS1453-773
Amendment	13675632	2008-03-28 16:45	Infinity	NS1453-773
Amendment	14151021	2008-07-11 11:51	Infinity	NS1453-773

As listed in the Registration History section above, this registration has been the subject of an Amendment or Global Change to add or delete information. The following registration details provide the registration number for the Amendment that added or deleted information. If no "added by" or "deleted by" registration number is provided, the information was added by the original registration and has not been deleted.

#### Debtors

Type: Enterprise  
CANADIAN SAILING EXPEDITIONS INC.  
PO BOX 2613  
HALIFAX NS B3J 3N5  
Canada

#### Secured Parties

Type: Enterprise  
NOVA SCOTIA BUSINESS INCORPORATED  
RYAN, PAT  
VICE PRESIDENT & CHIEF OPERATING OFFICER  
SUITE 701, 1800 ARGYLE STREET  
HALIFAX NS B3J 3E4  
Canada

#### General Collateral

A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

**Additional Information**

GUARANTEE ACCOUNT NUMBER 800076

Added by registration number 13675632

The security interest represented by this registration and the security documents related thereto, are subordinated to the interests and security of Caterpillar Financial Services Limited as represented by PPR registration number 13235874, pursuant to a priorities agreement dated as of November 16, 2007 among Caterpillar Financial Services Limited, Nova Scotia Business Incorporated, Growthworks Atlantic Venture Fund Ltd., 3096000 Nova Scotia Limited and the Debtor.

Added by registration number 14151021

By Court Order dated July 4, 2008, Supreme Court of Nova Scotia, S.H. No. 297999, the security interest to which this registration relates has been subordinated to Registration No. 14150866.

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**Registration Details for Registration Number: 13790852**

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	13790852	2008-04-23 18:31	2013-04-23	954439-RB10

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

**Debtors**

Type: Enterprise  
CANADIAN SAILING EXPEDITIONS INC.  
PO BOX 2613 STN CENTRAL  
Halifax NS B3J 3N5  
Canada

**Secured Parties**

Type: Enterprise  
Royal Bank of Canada  
630 Rene Levesque W 1st Fl  
Montreal PQ H3B 1S6  
Canada

**General Collateral**

PRIORITY AGREEMENT DATED MARCH 28, 2008 BETWEEN CATERPILLAR FINANCIAL SERVICES LIMITED AND ROYAL BANK OF CANADA FAVOUR OF SECURITY AGREEMENT BETWEEN ROYAL BANK OF CANADA AND CANADIAN SAILING EXPEDITIONS INC. .

**Registration Details for Registration Number: 14150866**

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	14150866	2008-07-11 11:27	2011-07-11	BU-1935

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

**Debtors**

Type: Enterprise  
Canadian Sailing Expeditions Inc.  
Prothero, Doug  
President  
1870 Upper Water Street  
PO Box 2613  
Halifax NS B3J 3N5  
Canada

**Secured Parties**

Type: Enterprise  
Growthworks Atlantic Venture Fund Limited  
Hayes, Thomas J.  
President and CEO  
Purdy's Wharf Tower I  
Suite 1401-1959 Upper Water Street  
Halifax NS B3J 3N2  
Canada  
Fax #: 902-421-1808

**General Collateral**

A security interest is taken in all of the Debtor's present and after-acquired personal property.

**Additional Information**

- 1) The Debtor is in CCAA proceedings, Supreme Court of Canada, S.H. No. 297999.
- 2) By Order dated July 4, 2008, the Security Interest to which this financing statement relates (Debtor in possession financing) has first priority over prior security interests.

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**Registration Details for Registration Number: 12998845**

Province or Territory: Nova Scotia  
Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	12998845	2007-09-21 16:23	2011-09-21	CANADIAN SAI

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
 CANADIAN SAILING EXPEDITIONS INC  
 1100-1959 UPPER WATER STREET  
 HALIFAX NS B3J 3E5  
 CANADA

Type: Enterprise  
 3096000 NOVA SCOTIA LIMITED  
 1100-1959 UPPER WATER STREET  
 HALIFAX NS B3J 3E5  
 CANADA

### Secured Parties

Type: Enterprise  
 BODKIN CAPITAL CORPORATION  
 2150 DUNWIN DR, UNIT 1  
 MISSISSAUGA ON L5L 5M8  
 CANADA

### General Collateral

TWO NARWHAL SV-400 RESCUE BOATS COMPLETE WITH 40HP OUTBOARD, TWO NARWHAL HD580 RESCUE BOATS COMPLETE WITH 75HP OUTBOARD AND JOCKEY CONSOLEPLUS ANCILLARY EQUIPMENT, SOFTWARE AND ATTACHMENTS THERETO AND PROCEEDS IN ANY FORM WHATSOEVER THEREFROM, INCLUDING, BUT NOT LIMITED TO, INSURANCE PROCEEDS.

### Serial Numbered Collateral

Serial Number	Collateral Type	Description	Added By	Deleted By
ESNWL089YKC707	Boat	2007 NARWHAL SV-400	12998845	
ESNWL085YKC707	Boat	2007 NARWHAL SV-400	12998845	
ESNWL052VKD707	Boat	2007 NARWHAL HD580	12998845	
ESNWL053VKD707	Boat	2007 NARWHAL HD580	12998845	

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### Registration Details for Registration Number: 13110564

Province or Territory: Nova Scotia  
 Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time	Expiry Date	File Number
Original	13110564	2007-10-19 16:19	2010-10-19	CANADIAN SAI

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

**Debtors**

Type: Enterprise  
 CANADIAN SAILING EXPEDITIONS INC  
 1521 GRAFTON STREET  
 HALIFAX NS B3J 2B9  
 CANADA

**Secured Parties**

Type: Enterprise  
 BODKIN CAPITAL CORPORATION  
 2150 DUNWIN DR, UNIT 1  
 MISSISSAUGA ON L5L 5M8  
 CANADA

**General Collateral**

ONE POS SYSTEM, ONE BACK OFFICE SERVER, 2 RADIANT 1510 TERMINALS WITH MAG CAR READERS, 2 EPSON TM88 THERMAL RECEIPT PRINTERS, 2 UPS 350 TERMINAL SURGE PROTECTORS PLUS ANCILLARY EQUIPMENT, SOFTWARE AND ATTACHMENTS THERETO AND PROCEEDS IN ANY FORM WHATSOEVER THEREFROM, INCLUDING, BUT NOT LIMITED TO, INSURANCE PROCEEDS AND ALL EQUIPMENT PURSUANT TO CROSS COLLATERAL SECURITY/CROSS DEFAULT AGREEMENT

**Serial Numbered Collateral**

Serial Number	Collateral Type	Description	Added By	Deleted By
ESNWL089YKC707	Boat	2007 NARWHAL SV-400	13110564	
ESNWL085YKC707	Boat	2007 NARWHAL SV-400	13110564	
ESNWL052VKD707	Boat	2007 NARWHAL HD580	13110564	
ESNWL053VKD707	Boat	2007 NARWHAL HD580	13110564	

**END OF REPORT**

## SCHEDULE "B"

I hereby certify that the forgoing particulars are true

Official Number: 370565

**VESSEL PARTICULARS**

Vessel Name: CALEDONIA  
 Vessel IMO Id. No.: 5007508  
 Port of Registry: HALIFAX  
 Date of Registry: 2000-06-05 00:00  
 Certificate Expires: 2011-02-28  
 Vessel Type: PASSENGER

**FORMER**

Vessel Name: CAPE HARRISON  
 Former Port of Registry: QUEBEC

**BUILDER INFORMATION**

Year Built: 1947/00 Year Re-Built:

Hull No.:

<b><u>Builder:</u></b>	<b><u>Party ID:</u></b>	<b><u>Address:</u></b>
COOK WELTON & GEMMEL LTD.	116496	BEVERLEY
		ENGLAND

Place of Build: BEVERLEY, ENGLAND

**CONSTRUCTION INFORMATION**

Construction Type: IN AND OUT  
 Material: STEEL

**PARTICULARS OF PROPULSION**

Number of Engines: 1	Engine Description: DIESEL
Number of Boilers:	Speed (Knots): 12.0
Propulsion: SELF-PROPELLED	Unit/Brake Power: 1119 KILOWATTS

**DIMENSIONS**

	<b>Imperial</b>	<b>Metric</b>
Length:	181.0039	55.1700
Breadth:	30.0853	9.1700
Depth:	22.5066	6.8600

**TONNAGES**

	Tons	Cubic Meters
Gross:	810.00000	2293.676700
Deductions:		
Net/Register:	243.00000	688.10301

Measurement method: CERTIFICATE OF SURVEY

**AIR CUSHION VEHICLE**

Model Designation:

All up Weight: KG

**OWNER(S)- Owners with the same seq. no. are joint owners**

<u>Seq- Shares</u>	<u>Vessel Owner(s):</u>	<u>Party ID:</u>	<u>Address:</u>
1 - 64	CANADIAN SAILING EXPEDITIONS INC.	69451	PO BOX 2613 HALIFAX, NS B3J 3N5 CANADA

**AUTHORIZED REPRESENTATIVE**

<u>Authorized Representative:</u>	<u>Party ID:</u>	<u>Address:</u>
CANADIAN SAILING EXPEDITIONS INC.	69451	PO BOX 2613 HALIFAX, NS B3J 3N5 CANADA

**MORTGAGES AND ASSIGNMENTS**


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Mortgage: F Deed Date: 2007-11-16

Detail: FOR \$5,400,000.00 WITH AGREED INTEREST

Account current: No Special Indicator:

<u>Seq- Shares</u>	<u>Mortgagor/Assignor(s) as shown on deed:</u>	<u>Party ID:</u>	<u>Address:</u>
1 - 64	CANADIAN SAILING EXPEDITIONS INC.	69451	PO BOX 2613 HALIFAX, NS B3J 3N5 CANADA

<u>Mortgagee/Assignee:</u>	CATERPILLAR FINANCIAL SERVICES LIMITED	153713	705-700 DORVAL DR. OAKVILLE, ON L6K 3V3 CANADA
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Mortgage: G Deed Date: 2007-11-16

Detail: ACCOUNT CURRENT WITH AGREED INTEREST

Account current: Yes Special Indicator:

<u>Seq- Shares</u>	<u>Mortgagor/Assignor(s) as shown</u>	<u>Party ID:</u>	<u>Address:</u>
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**on deed:**

1 - 64 CANADIAN SAILING EXPEDITIONS INC. 69451 PO BOX 2613  
 HALIFAX, NS B3J 3N5  
 CANADA

**Mortgagee/Assignee:** NOVA SCOTIA BUSINESS INC. 177836 701-1800 ARGYLE ST  
 HALIFAX, NS B3J 3E4  
 CANADA

**Mortgage:** H **Deed Date:** 2008-07-04  
**Detail:** PURSUANT TO A LOAN AGREEMENT AND DEED OF COVENANTS  
 DATED JULY 4, 2008

**Account current:** No **Special Indicator:**

**Seq- Shares** **Mortgagor/Assignor(s) as shown** **Party ID:** **Address:**  
**on deed:**

1 - 64 CANADIAN SAILING EXPEDITIONS INC. 69451 PO BOX 2613  
 HALIFAX, NS B3J 3N5  
 CANADA

**Mortgagee/Assignee:** GROWTHWORKS ATLANTIC VENTURE FUND LIMITED 179884 1959 UPPER WATER ST  
 SUITE 1401  
 HALIFAX, NS B3J 3N2  
 CANADA

**Priority Agreement:** Ref. Letter "H"  
 Mortgage "H" has been provided a first priority charge by Order of the Supreme  
 Court of Nova Scotia issued July 4, 2008 (S.H. No. 297999).

**MISCELLANEOUS**

Number of Encumbrances: 3  
 Injunction: No  
 Financing Agreement: No  
 Date Suspended:  
 Suspension Reason:  
 Date Closed:  
 Closed Reason:

I hereby certify that the forgoing particulars are true

Issue date and time: 2008-07-31 11:32

Record Count: 2