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October 25, 2006

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30-10-2006

BDO DUNWOODY LIMITED
1 City Centre Drive
Suite 1040
Mississauga, Ontario, L5B 1M2

Attention: Darryl McConnell

Dear Mr. McConnell:

Re: SHIELD SPRINKLER FIRE SYSTEMS INC. (the "Corporation")

Thank you for your instructions to us to provide an opinion to you in respect of certain security granted by the Corporation to Royal Bank of Canada (the "Bank").

Purpose of Opinion

This opinion is provided solely to you for the purpose of determining whether security described below held by the Bank from the Corporation is valid and enforceable as against you, in your capacity as the Corporation's Trustee in Bankruptcy.

Our opinion is based on our review of the documents provided to us by you, and is subject to the assumption that those documents have not been altered or amended by any other documents or agreements, whether written or oral, of which we are not aware. In particular, the corporate minute books have not been made available to us, thus we do not have possession of any directors' resolutions authorizing the execution or delivery of the security described below.

The opinions expressed herein are subject to the limitations and qualifications cited below.

Security

We reviewed copies of the following documents you provided to us:

1. ***General Security Agreement from the Corporation in favour of the Bank (the "RBC GSA")***

Debtor:	Shield Sprinkler Fire Systems Inc.
Collateral (from GSA):	All personal property of any nature whatsoever as described in paragraph 1(a) of the GSA
Obligation Secured:	All obligations, liabilities and indebtedness of the Borrower to the Bank as described in paragraph 1(b) of the GSA
Form of GSA:	924 (2003/04)
Date:	April 5, 2006

2. ***Guarantee of Frank Marciano (the "Guarantee")***

Guarantor:	Frank Marciano
Respecting:	the debts and liabilities of the Corporation to the Bank
Amount of Guarantee:	\$1,111,000
Form of Guarantee:	812 (12/2003)
Date:	April 5, 2006

3. ***Postponement and Assignment of Claim of Frank Marciano (the "Postponement")***

Borrower:	the Corporation
Postponing Party:	Frank Marciano
Liabilities Postponed:	all Liabilities (as defined in the Postponement of the Corporation to Frank Marciano)
Date:	April 5, 2006-10-23

4. ***Charge of Land of the Corporation (the "Charge")***

Chargor:	the Corporation
Chargee:	the Bank
Lands Charged:	13 Kenview Road, Unit 10, Brampton, Ontario L6T 5K9
Principal:	\$235,000
Balance Due Date:	on demand
Interest Rate:	prime rate plus 2.5 per annum
Guarantor:	Frank Marciano
Date:	April 6, 2006

5. *Liability, Property and Crime Endorsement Policy Declarations*

Insured:	Shield Sprinkler Fire Systems Inc. and/or Shield Sprinkler Systems Ltd. and/or Shield Safety and Fire Protection Ltd.
Loss Payees:	Onset Capital Corporation, Citicorp Vendor Finance Ltd., MTC Leasing Inc., Onset Capital Corporation, De Page Landen Financial Services Canada Inc., Royal Bank of Canada
Endorsement Effective Date:	March 24, 2006
Policy Period:	December 30, 2005 to December 30, 2006

Corporate Searches

- (a) **Corporate File Search** – We obtained from the Companies and Personal Property Securities Branch of the Ministry of Consumer and Business Services various Corporation Profile Reports. We received a corporate history chart prepared by Minden, Gross a copy of which is attached hereto. Rather than set out the corporate history here, we have attached a copy of the chart.

We have not been provided with any corporate documents in respect of the foregoing, nor any by-laws of the Corporation or any authoring resolutions, thus we cannot provide an opinion on the ability of the Corporation to borrow money on credit or grant security in respect thereof.

- (b) **Certificate of Status** – We obtained a Certificate of Status from the Companies Branch of the Ministry of Consumer and Business Services in respect of the Corporation which confirmed that as at October 20, 2006, the Corporation had not been dissolved.

Security Searches

- (a) **Personal Property Security Act (Ontario) (the “PPSA”)** – We obtained from the Ministry of Consumer and Business Services a search certificate under the PPSA in respect of:
- (i) Shield Sprinkler & Fire Systems Ltd.;
 - (ii) Tafam Investments Inc. effective; and,
 - (iii) Shield Sprinkler Service Ltd.,

with file currency dates effective October 19, 2006.

- (i) Shield Sprinkler Fire Systems Inc.;
- (ii) Shield Safety & Fire Protection Ltd.; and,
- (iii) Shield Safety and Protection Ltd.,

with file currency dates of October 16, 2006 in respect of Shield Sprinkler Fire Systems Inc. and file currency dates of October 19, 2006 in respect of Shield Safety & Fire Protection Ltd. and Shield Safety and Protection Ltd.

In accordance with your instructions, we have reviewed the PPSA searches obtained only to ascertain whether or not registrations had been completed by the Bank in respect of the RBC GSA. The results of our review of the PPSA search we performed in this regard and the registrations made by the Bank are set out below.

PPSA Registrations

The PPSA searches performed by us disclosed the following registrations:

- (i) Shield Sprinkler & Fire Systems Ltd.

File No.:	611959734
Registration Number:	20050112 1548 7029 1593
Secured Party:	NEC Canada Inc.
Collateral Classification:	Equipment and Other
General Collateral Description:	as per lease agreement described therein
File No.:	611959734
Registration Number:	20060601 1704 1462 8226
Secured Party:	NEC Canada Inc.
Business Name Transferee:	Shield Sprinkler Fire Systems Inc.
Reason for Registration:	Amalgamation of Shield Sprinkler & Fire Systems Ltd.
File No.:	611959734
Registration Number:	20060608 1704 1462 9955
Secured Party:	NEC Canada Inc.
Postponement:	to postpone file no. 611959734 in favour of NEC Canada Inc. to File No. 624062835, Registration No. 20060606 1530 1793 3257 in favour of Royal Bank of Canada

File No.: 620997804
Registration Number: 20051203 1527 1590 8264
Secured Party: Anna Marciano-De Giorgio
Collateral Classification: Inventory, Equipment, Accounts, Other, motor vehicle included
General Collateral Description: None

File No.: 620997804
Registration Number: 20060411 1706 1462 6219
Secured Party: Anna Marciano-De Giorgio
Business Name Transferee: Shield Sprinkler Fire Systems Inc.
Reason for Registration: Amalgamation of Shield Sprinkler & Fire Systems Ltd.

File No.: 620997804
Registration Number: 20060412 1048 1793 3368
Secured Party: Anna Marciano-De Giorgio
Postponement: to postpone file no. 620997804 in favour of Anna Marciano-De Giorgio to File No. 624062835, Registration No. 20060606 1530 1793 3257 in favour of Royal Bank of Canada

File No.: 623074212
Registration Number: 20060302 0902 1362 8421
Secured Party: Woodbine Pontiac Buick GMC Ltd.
Collateral Classification: Consumer Goods, Motor Vehicle
General Collateral Description: None

File No.: 623074212
Registration Number: 20060601 1704 1462 8224
Secured Party: Woodbine Pontiac Buick GMC Ltd.
Business Name Transferee: Shield Sprinkler Fire Systems Inc.
Reason for Registration: Amalgamation of Shield Sprinkler & Fire Systems Ltd.

File No.: 623074212
Registration Number: 20060630 0857 1362 8740
Secured Party: Woodbine Pontiac Buick GMC Ltd.
Business Name Transferee: Shield Sprinkler Fire Systems Inc.
Reason for Registration: To change to customer's legal name

- (ii) Shield Sprinkler & Fire Systems Inc.

Given the volume of the search result, we have not reproduced the same here. The search certificate on which we rely was provided to us by you.

- (iii) Tafam Investments Inc.

No match found.

- (iv) Shield Sprinkler Service Ltd.

No match found

- (v) Shield Safety & Protection Ltd.

No match found.

- (vi) Shield Safety & Fire Protection Ltd.

No match found.

Real Property Searches

We searched title to the property described in the aforementioned Charge naming the Corporation as the legal registered owner of the lands described below, which revealed the following particulars:

Notice:

Property Charged:	Unit 10, Level 1, Peel Condominium Plan No. 451; BLK 7, PL 43M811, more particularly described in Schedule "A" of Declaration LT1267631 Brampton being all of PIN No. 19451-0010 LT (the "Lands")
Owner/Chargor:	Shield Sprinkler Fire Systems Inc.
Chargee:	Royal Bank of Canada
Registration No.:	PR10442034
Lien:	Her Majesty the Queen In right of Canada as represented by the Minister of National Revenue
Amount:	\$502,150.60
Registration No.:	PR1144025

For your information only, Her Majesty the Queen In Right of Canada as represented by the Minister of National Revenue has registered a lien against the Lands in the sum of \$502,150.60 as Instrument

No. PR1144025. In addition, there are three notices registered against the title to the Lands two of which relate to lease registrations and an airport zoning regulation. We have no information on the status of those leases.

Execution Searches

We conducted an execution search against the Corporation with the Sheriff of the Regional Municipality of Peel and obtained a certificate which provides information summarized as follows:

Writ No.:	04419200-9993911B
Judgment Debtor:	the Corporation
Judgment Creditor:	WSIB
Amount:	\$39,066.36
Interest rate:	12%
Start Date:	June 15, 2006

Assumptions

In connection with the opinions rendered below, we have assumed the following:

1. The Corporation owes "obligations" (as contemplated by the PPSA) to the Bank.
2. The signatures on the RBC GSA and the Standard Charge Terms in respect of the Charge (the "Security") are genuine.
3. We assume that the Corporation provided a duly authorized and delivered Acknowledgement and Direction in respect of the Charge.
4. The copies of the Security that we have been provided with conform to the authentic originals.
5. All certificates of public officials in regard to the Corporation that we have reviewed are accurate.
6. At the time of the execution and delivery of the Security, the Corporation had the corporate power to enter into and perform its obligations under the RBC GSA.
7. The Security has been duly authorized and executed by an officer of the Corporation authorized by the Corporation to so execute those agreements on behalf of the Corporation and to deliver them.
8. The Security constitutes the entire agreements between the Bank and the Corporation with

respect to the subject matter thereof and there are no other collateral or other agreements or arrangements affecting those agreements.

9. The Corporation has rights in the collateral described in the security granted to the Bank, that value has been given to the Corporation and that no agreement exists between the Bank and the Corporation whereby the time for attachment of the personal property security interest has been postponed and that the Corporation does not hold the Lands in trust for any person pursuant to any trust agreement of declaration of trust.

Limitations and Qualifications

Our opinion is subject to the limitations and qualifications set out below:

1. The enforceability of the Security is subject to limitations upon the right to obtain judicial orders requiring specific performance and bankruptcy, insolvency, moratorium, reorganization and other laws relating to or affecting the enforcement of creditor's rights and secured creditors generally. No opinion is expressed as to the availability of equitable or other discretionary remedies as they are only available at the discretion of the court.
2. This opinion is limited to matters governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, as in force at the date hereof and does not extend to the laws of any other jurisdiction.
3. Our opinion with respect to the priority of the personal and real property security held by the bank from the Corporation as against a Trustee in Bankruptcy is based solely on a review of the PPSA search for the Corporation provided to us by you and the Ministry of Consumer and Business Services (Ontario) and a review of the subsearch of title to the Lands.
4. Our opinion is provided to and is for the sole benefit of you and may not be assigned or communicated to, or used for the benefit of any other person or used for any other purpose without our written permission.
5. Our opinion does not extend to the priority of security interests except as provided herein.
6. As Ontario does not have a system for recording ownership of personal property, no opinion is given with respect to title to any of the personal property pledged by the Corporation in favour of the Bank.
7. We express no opinion as to whether a security interest may be created in:
 - (a) property consisting of a receivable, licence, approval, privilege, franchise, permit, lease or agreement (collectively "*Special Property*") to the extent that the terms of the *Special Property* or any applicable law prohibits its assignment or require a consent,

approval or other authorization which has not been made or given, or

- (b) permits, quotas or licences, which are held by or issued to the Corporation.
8. We have not conducted searches or made inquiries under the provisions of the *Patent Act* (Canada) or the *Trade Marks Act* (Canada) and, as such, our opinion is qualified accordingly.
 9. We have not taken any steps to determine whether or not the notices or acknowledgements prescribed in Part VII of the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts have been taken. An assignment of federal Crown debts, which does not comply with that Act, is ineffective as between the assignor and the assignee and as against the Crown. Consequently, the Bank may not have a valid security interest in federal Crown debts unless that Act has been complied with and, as such, our opinion is qualified accordingly.
 10. The PPSA does not apply to a security interest in an insurance contract, and accordingly any such interest must be confirmed and recorded with the relevant insurance company, and should be updated periodically according to the term of the policy to which it relates, to ensure that it remains in full force and effect and your interest remains noted. In accordance with our usual practice, we do not make any such inquiries with respect to insurance policies which may be in place.
 11. A perfected security interest may become unperfected prior to its stated expiry date in certain circumstances, such as where the debtor transfer collateral out of the ordinary course of business or changes its name and the Bank fails to register an amendment to its PPSA Registration within a prescribed period of time after learning of same.
 12. We express no opinion on the validity and enforceability of any other registered instrument under the PPSA or the Land Titles Act other than the Security.
 13. In the absence of a full title search, we have reviewed a subsearch of the title to the Lands. A subsearch reveals the order in which the documents were registered against the title to the Lands.

Opinion

Based on and subject to the foregoing, we are of the opinion that:

1. The RBC GSA constitutes a legal, valid and binding obligation of the Corporation, enforceable against you, in your capacity as Trustee in Bankruptcy of the Corporation, a bankrupt, with respect to all of the personal property of the Corporation as described in the RBC GSA and in accordance with its terms.

2. The Charge constitutes a legal valid and binding obligation of the Corporation, enforceable against you, in your capacity as Trustee in Bankruptcy of the Corporation, a bankrupt, with respect to the Lands.

Trusting the foregoing is satisfactory, please do not hesitate to contact me if you have any questions.

Yours very truly,

LAWRENCE, LAWRENCE, STEVENSON LLP

per:

Robert J. van Kessel