

COURT FILE NUMBER 1903-08169  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFF FORTIS LGS STRUCTURES INC.  
DEFENDANTS STATION POINT DEVELOPMENTS LTD. and BCM DEVELOPMENTS LTD.  
DOCUMENT **AFFIDAVIT OF DANIEL POLLACK**  
ADDRESS FOR SERVICE AND CONTACT MCCARTHY TÉTRAULT LLP  
4000, 421 – 7<sup>th</sup> Avenue SW  
INFORMATION OF PARTY Calgary, AB T2P 4K9  
FILING THIS DOCUMENT Attention: Sean Collins  
Phone: 403-260-3531  
Fax: 403-260-3501  
Email: scollins@mccarthy.ca

**AFFIDAVIT OF DANIEL POLLACK**  
**Sworn on June 10, 2019**

I, DANIEL POLLACK, of the City of Toronto, in the Province of Ontario, SWEAR AND SAY THAT:

1. I am a Director, Special Loans and Portfolio Management, with KingSett Mortgage Corporation ("**KingSett**"). I have been directly involved with the secured construction financing KingSett has provided to Station Point Developments Ltd. (the "**Borrower**"). Additionally, I have reviewed the books and records maintained by and in the possession of KingSett regarding the Borrower in the ordinary course of business. Based on the aforementioned, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, in which case, I believe the same to be true.

**The Borrower**

2. The Borrower is a corporation incorporated pursuant to the laws of the Province of Alberta, carrying on business in the City of Edmonton. Attached hereto and marked as **Exhibit "A"** is a copy of the Alberta Corporate Registry search in respect of the Borrower, dated May 8, 2019.

### **Introduction / Summary of Relief Sought**

3. KingSett has provided secured project financing to the Borrower in an authorized amount of up to \$17,000,000 for the purpose of financing the Borrower's development and construction of a 112 unit rental residential apartment building together with approximately 19,000 square feet of ground floor retail space currently being constructed on a 3.32 acre site located at 403 Belvedere Gate NW, Edmonton (the "**Project**").

4. The Project is approximately 78% complete. The Borrower has encountered challenges with respect to the ongoing execution of the Project and is now experiencing liquidity issues. In particular, the Borrower did not repay KingSett on the stated maturity of the KingSett loan of September 1, 2018. KingSett had previously agreed to forbear from enforcing the security it holds through to February 1, 2019. The Borrower did not repay KingSett on or before February 1, 2019.

5. Most recently, the Borrower's June 1 payment to KingSett was returned by the Borrower's bank for the stated reason that there were insufficient funds in the Borrower's account. Additionally, there are builders' liens registered against title to the Project (including by the Plaintiff in this action, the general contractor the principal of which is the son of one of the principal's of the Borrower) and the Borrower is no longer entitled to receive construction advances from KingSett. KingSett is not prepared to make further advances to the Borrower unless it is through a court-appointed trustee appointed under and pursuant to the *Builders' Lien Act* and a receiver and manager appointed under and pursuant to the *Judicature Act* and the *Bankruptcy and Insolvency Act*. This Affidavit is thus made in support of KingSett's application for the appointment of KSV Kofman Inc. ("**KSV**") as trustee, receiver and manager in respect of the Project (in such capacities, KSV is referred to throughout this Affidavit as the "**Trustee**").

### **History and Overview of Project**

6. In or around 2012, BCM Developments Ltd. ("**BCM**") entered into negotiations with the City of Edmonton (the "**City**") to acquire lands owned by the City and to develop and construct the Project. The concept of the Project was to develop and construct affordable multi-unit apartments with an associated ground floor retail development in the northeast community of Belvedere located in the City of Edmonton upon the lands that are now legally described as: (i) Plan 0924862, Block 3, Lot 1; and (ii) Plan 1821512; Block 3; Lot 2 (collectively, the "**Lands**"). Ultimately, BCM entered into an agreement of purchase and sale to purchase the Lands with the City for a purchase price of \$3,640,000 and the transaction closed on or about January 11, 2015.

With the consent of the City, the agreement of purchase and sale was subsequently assigned by BCM to the Borrower.

7. Pursuant to an agreement, that has been amended from time to time, the City provided the Borrower with vendor take back financing to acquire the Lands. The agreement permits the Borrower to make installment payments to the City over a specified schedule correlating to the anticipated development of the Project. The payments required to be made by the Borrower to the City were as follows:

- (a) \$100,000 deposit;
- (b) \$1,000,000 on closing;
- (c) \$100,000 on August 1, 2017; and
- (d) the balance by way of a final installment on February 18, 2019 (such date being coterminous with the prior anticipated development completion date).

8. The Borrower did not make the final installment payment on or before February 18, 2019.

9. The City registered an unpaid vendor's lien caveat against title to the Lands. Now shown to me and marked as **Exhibit "B"** to this Affidavit is a true copy of the caveat registered against title to the Lands by the City.

#### **The KingSett Construction Facility**

10. KingSett and the Borrower entered into an amended and restated commitment letter, dated May 25, 2016 (the "**Commitment Letter**"), between KingSett, as lender, the Borrower, as borrower, and Beniamino Raimondi, BCM Developments Ltd., and Fortis LGS Structures Inc. (collectively, the "**Guarantors**"), as guarantors. Attached hereto and marked as **Exhibit "C"** to this Affidavit is a true copy of the Commitment Letter.

11. Pursuant to the Commitment Letter, KingSett made available to the Borrower a construction loan facility, in the maximum amount of \$17,000,000.

## **Security**

12. As security for the repayment of all amounts owing by the Borrower to KingSett and performance of the Borrower's obligations under the Commitment Letter, the Borrower executed and delivered the following security, each dated December 2, 2015:

- (a) a land mortgage in the amount of \$26,250,000 as subsequently amended by a Land Mortgage Amending Agreement, dated June 14, 2016, and registered against title to the Lands;
- (b) a General Security Agreement granting KingSett a security interest in and to all of the Borrower's present and after-acquired personal property situate upon or related to the Project;
- (c) a General Assignment of Rents and Leases;
- (d) an Assignment of Purchase Agreements;
- (e) an Assignment of Contracts, Construction Documents, Proceeds and Letters of Credit;
- (f) an Assignment and Pledge of Deposit Account;
- (g) an Assignment and Pledge of Interest Reserve Account; and
- (h) an Efficiency and Completion Guarantee.

13. Now shown to me and marked as **Exhibit "D"**, **"E"**, and **"F"**, respectively, to my Affidavit are copies of the Mortgage, Mortgage Amending Agreement, and General Security Agreement. The remaining security documents have not been attached to my Affidavit, but will be available to the Court and other stakeholders at the application if requested.

## **Subsequent Charge in Favour of HMT Holdings Ltd.**

14. In 2016, in connection with a proposed financing, the Borrower sought and obtained KingSett's approval to grant security to HMT Holdings Ltd. ("**HMT**") by way of a mortgage registered against title to the Lands in the amount of \$1,200,000. The Borrower, HMT and KingSett entered into a Postponement and Priority Agreement, dated July, 2016, to and in favour

of KingSett (the "**Postponement Agreement**"). Attached hereto and marked as **Exhibit "G"** to this Affidavit is a true copy of the Postponement Agreement.

**Alberta Personal Property Registry and Land Title Search Results**

15. KingSett perfected its security interests granted by registering:
- (a) the Mortgage against the title to the Lands; and
  - (b) a financing statement in the personal property registry of Alberta,

Attached hereto and marked as **Exhibits "H"** and **"I"** to this Affidavit are copies of the Certificates of Titles concerning the Lands and the Alberta PPR Borrower name search results with respect to the Borrower, respectively.

**Commencement of Construction**

16. Construction of the Project commenced shortly after the closing of the KingSett financing in October, 2016 and continued through to early 2019.

17. The maturity date of the loan was September 1, 2018. The loan was not repaid on September 1, 2018. The amount outstanding under the loan as at June 5, 2019, inclusive of accrued interest, but exclusive of returned payments, legal fees, costs, expenses, and other charges, was \$11,862,931.87.

18. The September 1, 2018 maturity date of the KingSett loan was intended to afford the Borrower sufficient time to complete construction, obtain occupancy permits, and repay KingSett. It is nearly now ten months since the original maturity date and the Project has been beset by a host of problems including being behind schedule, cost overruns, builders' liens being registered against title to the Lands, and a litigious dispute between the Borrower and the Plaintiff general contractor.

19. By the spring of 2018, it was apparent that the Borrower would not be in a position to repay KingSett on maturity. Accordingly, on August 29, 2018, the Borrower and KingSett entered into an agreement (the "**Agreement**") that, among other things, contained an agreement on the part of KingSett to forbear from enforcing its rights under and pursuant to the loan and security until February 1, 2019, at which time the Borrower was to repay KingSett in full. Now shown to me and marked as **Exhibit "J"** to this Affidavit is a true copy of the Agreement.

20. The Agreement includes the Borrower's agreement to and approval by the Lender of Pro 3 Management Ltd. as the Lender's consultant (the "**Lender's Consultant**") as local advisor with respect to construction matters related to the ongoing construction of the Project.

21. By February 1, 2019, construction of the Project had not yet been completed and the Borrower did not repay KingSett in full. The Project was then experiencing liquidity and other issues, including a dispute between the Borrower and the general contractor, Fortis LGS Structures Inc. (the "**General Contractor**").

22. The General Contractor caused a builders' lien to be registered against title to the Project Lands on January 31, 2019 in the amount of \$2,672,255. The General Contractor subsequently issued a Statement of Claim in the within action seeking to enforce payment of the amounts it alleges are owing to it. Now shown to me and marked as **Exhibit "K"** to this Affidavit are true copies of the Statement of Claim.

23. The General Contractor is a guarantor of the obligations of the Borrower to KingSett. Furthermore, I am advised by Beniamino Raimondi that (i) the principal shareholder and director of the General Contractor is his son; (ii) his daughter-in-law (i.e. his son's spouse) is Zoleika Raimondi, who has also guaranteed the obligations of the Borrower to KingSett; (iii) the General Contractor's contract has been terminated by the Borrower; and (iv) the Borrower disputes the claim of the General Contractor and it is anticipated that matters as between the Borrower and the General Contractor is contentious

24. Additionally, two other contractors have registered builders' liens against title to the Lands as follows:

<b>PLAN NO.</b>	<b>REGISTRATION NUMBER</b>	<b>DATE (D/M/Y)</b>	<b>PARTICULARS</b>
PLAN 0924862 BLOCK 3 LOT 1	192 075 558	01/04/2019	BUILDERS' LIEN LIENOR – FENCELINE RENTALS LTD. 24835 117 AVE ACHESON ALBERTA T7X6C2 AGENT – PRIORITY CREDIT MANAGEMENT CORP. AMOUNT: \$9,411
	192 091 695	24/04/2019	BUILDERS' LIEN LIENOR – VIPIND INC. ATTN: DEREK HOSTYN 13056 YELLOWHEAD TRAIL EDMONTON ALBERTA T5T3C1

AGENT – CRAIG SCHMIDT  
AMOUNT: \$107,590

25. KingSett has not advanced any funds to the Borrower since December 11, 2018, as a result of the ongoing defaults, which include, but are not limited to, the Borrower failing to repay KingSett on February 1, 2019 and the registration of the builders' liens.

26. As a consequence of the existing defaults, KingSett issued Notices of Intention to Enforce Security against the Borrower and Guarantors on March 1, 2019. Now shown to me and marked as **Exhibits "L", "M", "N", "O", and "P"**, respectively, to this Affidavit are true copies of the Notices of Intention to Enforce Security.

**Current Status – Path Forward**

27. KingSett has retained Turner & Townsend CM2R Inc. (the "**Quantity Surveyor**"), a professional quantity survey firm, to act as its quantity surveyor and project monitor on the Project. The most recent report of the Quantity Surveyor was dated January 24, 2019 (the "**QS Report**"). A copy of the QS Report is not exhibited to this my Affidavit. If the Court wishes to review the QS Report, then a copy will be made available at the return of the application.

28. On the basis of the QS Report, I believe that the Project is approximately 78% complete, that there has been an increase in the Project budget from \$26,942,211 to \$29,092,211, and that the current estimated cost to complete the Project is \$6,888,005.

29. If funding to complete the construction of the Project is restored and construction recommences in relative short order, then it is anticipated that the Project will be substantially complete and ready for occupancy by the end of 2019.

30. KingSett is not prepared to advance further funds to the Project, particularly having regard to the fact that there are builders' liens registered against the Lands and litigation between the Borrower and the General Contractor, without the appointment of the Trustee with the ability of the Trustee to obtain construction advances from KingSett on a secured and first priority basis. KingSett is prepared to fund the advances to the Trustee for the purpose of advancing the Project.

31. It is contemplated by KingSett that, if appointed, the Trustee will continue to retain the services of the Quantity Surveyor. The Quantity Surveyor has been the quantity surveyor since the inception of construction and has issued 21 reports in support of the Borrower's construction

advances. The ongoing engagement of the Quantity Surveyor by the Trustee will be cost-efficient and provides continuity in bringing the Project through to conclusion during the final stage of construction.

32. Similar to the Quantity Surveyor, the Lender's Representative brings a great deal of experience and antecedent knowledge and expertise to the Project. It is also anticipated that, if appointed, the Trustee will continue to retain the services of the Lender's Representative.

### **Qualifications of Trustee**

33. KSV is a firm of licensed insolvency trustees based in Toronto, Ontario, but with experience acting across Canada. The individual licensed trustee and partner primarily responsible for this mandate will be Robert Kofman, KSV's President. KSV has significant experience dealing with real estate restructurings, including acting as receiver, receiver and manager and monitor under the *Companies Creditors' Arrangement Act* in numerous distressed real estate situations. KingSett has experience with KSV on other projects where KingSett was the project lender and the project was in distress. On the basis of KSV's real estate experience, and KingSett's experience with KSV, I am of the view that KSV has the requisite experience and expertise to successfully execute the duties of Trustee under the contemplated order. Mr. Kofman is a member of the Insolvency Institute of Canada and has been practicing in the area of restructuring and insolvency since 1992. Now shown to me and marked as **Exhibit "Q"** is a true copy of Mr. Kofman's biography extracted from KSV's website.

34. The Trustee has agreed that it will not charge travel time or disbursements for travel or travel related expenses on the occasions that the Trustee is required to attend in Edmonton for the purposes of carrying out its duties.

35. The Trustee has previously been appointed by the Court of Queen's Bench of Alberta as monitor and subsequently receiver and manager on several occasions, including pursuant to orders granted by the Honourable Madam Justice C.A. Kent in the 2013 restructuring proceedings involving Surefire Industries Ltd.

36. In addition, KSV has engaged Bennett Jones LLP, a national law firm with an Edmonton office, to act as its counsel if appointed as trustee.



**Trustee's Charge and Trustee's Borrowing Charge**

37. The order sought includes a provision indemnifying the Trustee for its fees and disbursements and to provide the Trustee with a super-priority charge to secure such amounts over all of the Borrower's property. In order to complete the Project, the order sought also seeks to permit the Trustee to cause the Borrower to borrow up to the aggregate amount of \$17,000,000 (ie such that the total amount outstanding under the KingSett loan will not exceed \$17,000,000) under and pursuant to a Facility Agreement (a true copy of the proposed form of Facility Agreement is attached hereto as **Exhibit "R"** to this Affidavit) and to provide a charge to secure such borrowings over all of the Borrower's property subordinate only to the aforementioned indemnification charge.

38. I am advised by Mr. Kofman that KSV's consent to being appointed as Trustee is conditional upon the indemnification charge and the Trustee's borrowing charge being approved by the Court. I believe that it is in the best interest of the Borrower and all of its stakeholders that the requested charges be approved because in the circumstances of this case there is no practical alternative to preserving, protecting and realizing upon the value of the Project other than through the appointment of a Trustee.

39. The Borrower is presently current with respect to municipal taxes. Now shown to me and marked as **Exhibits "S"** and **"T"** to this Affidavit are tax certificates from the City dated May 8, 2019.

40. I am advised by Beniamino Raimondi that the Borrower presently does not owe any money to Canada Revenue Agency on account of unpaid GST, source deductions, employment insurance or Canada Pension Plan premiums.

**Necessity of the Appointment of a Trustee**

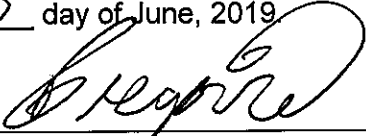
41. The Borrower currently has no access to liquidity and as such cannot advance the Project. It cannot borrow further funds from KingSett outside of a court process due to the registration of builders' liens and the other ongoing defaults of the Borrower. KingSett is not prepared to extend further credit to the Borrower for the Project other than through the Trustee.

42. The granting of the relief sought by KingSett will preserve and protect the security held by the various claimants with secured claims, provide a frame-work for construction to resume and

allow go-forward decisions in respect of the Project to be made by a court-appointed officer, under the supervision of the court for the benefit of all stakeholders.

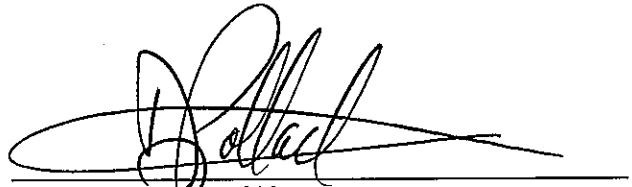
43. I swear this affidavit in support of an application to appoint KSV as Trustee of the Borrower and the Property together with the power, as set out in the draft Order (Appointing Builders' Lien Trustee and Receiver and Manager) to be served concurrently with the Notice of Application.

SWORN BEFORE ME at the City of )  
Toronto, in the Province of Ontario, this )  
10 day of June, 2019 )



A Notary Public in and for the Province of )  
Ontario )

**Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.**

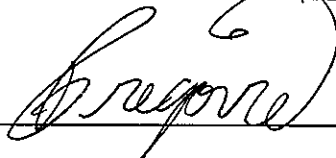


DANIEL POLLACK

This is Exhibit "A" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "Grégoire", is written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2019/05/08  
Time of Search: 01:07 PM  
Search provided by: MCCARTHY TETRAULT LLP  
Service Request Number: 30981225  
Customer Reference Number: 222672-520775

Corporate Access Number: 2016850246  
Legal Entity Name: STATION POINT DEVELOPMENTS LTD.  
Legal Entity Status: Active  
Alberta Corporation Type: Named Alberta Corporation  
Registration Date: 2012/06/19 YYYY/MM/DD

## Registered Office:

Street: 300, 10310 JASPER AVENUE  
City: EDMONTON  
Province: ALBERTA  
Postal Code: T5J 2W4

## Records Address:

Street: 300, 10310 JASPER AVENUE  
City: EDMONTON  
Province: ALBERTA  
Postal Code: T5J 2W4

## Directors:

Last Name: RAIMONDI  
First Name: BENNY  
Street/Box Number: 201, 12906 - 54 STREET  
City: EDMONTON  
Province: ALBERTA  
Postal Code: T5A 5A8

## Voting Shareholders:

Last Name: RAIMONDI  
First Name: BENNY

**Street:** 201, 12906 - 54 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5A 5A8  
**Percent Of Voting Shares:** 100

### Details From Current Articles:

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** SEE ATTACHED SCHEDULE "B"  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE ATTACHED SCHEDULE "C"

### Other Information:

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2018	2018/05/24

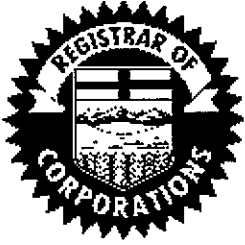
### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2012/06/19	Incorporate Alberta Corporation
2013/07/31	Change Director / Shareholder
2018/05/24	Enter Annual Returns for Alberta and Extra-Provincial Corp.

### Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2012/06/19
Restrictions on Share Transfers	ELECTRONIC	2012/06/19
Other Rules or Provisions	ELECTRONIC	2012/06/19

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit "B" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**ALBERTA GOVERNMENT SERVICES  
LAND TITLES OFFICE**

IMAGE OF DOCUMENT REGISTERED AS:

**132240124**

**ORDER NUMBER: 37192633**

**ADVISORY**

This electronic image is a reproduction of the original document registered at the Land Titles Office. Please compare the registration number on this coversheet with that on the attached document to ensure that you have received the correct document. Note that Land Titles Staff are not permitted to interpret the contents of this document.

Please contact the Land Titles Office at (780) 422-7874 if the image of the document is not legible.



CAVEAT

TO: THE REGISTRAR OF THE NORTH ALBERTA  
LAND REGISTRATION DISTRICT

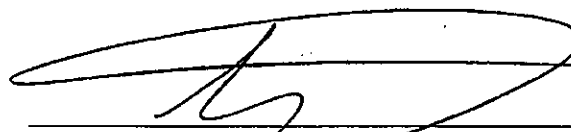
TAKE NOTICE that The City of Edmonton, a Municipal Corporation, claims an estate or interest in the following land namely:

PLAN 0924862  
BLOCK 3  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.345 HECTARES (3.32 ACRES) MORE OR LESS  
AS LEGALLY DESCRIBED IN CERTIFICATE(S) OF TITLE #092 144 131 +12

standing in the Register in the name of The City of Edmonton under Certificate of Title No. 092 144 131 +12 under a covenant in writing dated the 12 day of March, 2012, made between The City of Edmonton as Seller and BCM Developments Ltd. as Buyer, wherein the Seller agreed to sell and the Buyer agreed to purchase the above described lands at the price and on the terms and conditions set forth in such Agreement, the Seller being entitled to a Vendor's lien against the said lands as unpaid Vendor thereof in the sum of FOUR MILLION FOUR HUNDRED AND SIXTY FOUR THOUSAND (\$4,464,000.00) DOLLARS plus any other monies due to the Seller under such Agreement.

AND The City of Edmonton forbids the registration of any person as Transferee or owner of, or of any instrument affecting the said estate or interest, unless the instrument or Certificate of Title, as the case may be, is expressed to be subject to its claim. It appoints The City of Edmonton Law Branch, 9th Floor, Chancery Hall, 3 Sir Winston Churchill Square, Edmonton, Alberta, T5J 2C3, as the place at which notices and proceedings relating thereto may be served.

DATED at Edmonton, Alberta this 30<sup>th</sup> day of July, 2013.



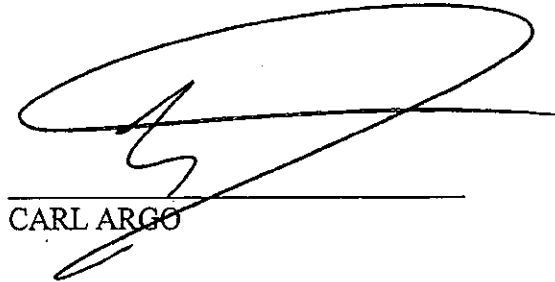
CARL ARGO  
Solicitor for The City of Edmonton  
Agent for the above named Caveator  
Power of Attorney No. 122007611

CANADA )  
PROVINCE OF ALBERTA )  
TO WIT )  
)

I, Carl Argo, of the City of Edmonton, in the  
Province of Alberta, Barrister and Solicitor for The  
City of Edmonton, MAKE OATH AND SAY  
THAT:

1. I am agent in this behalf for the above named Caveator.
2. I believe that The City of Edmonton has a good and valid claim upon the said land, and I say that this caveat is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal therewith.

SWORN BEFORE ME )  
at the City of Edmonton )  
in the Province of Alberta )  
this 30 day of July, 2013 )  
)



CARL ARGO



A Commissioner for Oaths in and for  
the Province of Alberta

DEBRA LYNN PETROFF  
My Commission Expires June 01, 2015

132240124 REGISTERED 2013 08 07  
CAVE - CAVEAT  
DOC 2 OF 2 DRR#: A058666 ADR/KBURKE  
LINC/S: 0033894750



This is Exhibit "C" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.



May 25, 2016

Montrose Edmonton  
4314 - 97<sup>th</sup> Street  
Edmonton, Alberta  
T6E 5R9

Attention: Don Loughlin

Dear Mr. Loughlin,

RE: **Financing for Station Pointe Apartment, Edmonton, Alberta**

We are pleased to advise that KingSett Mortgage Corporation has approved the following loan facilities in connection with the above noted matter, as more particularly described below and within Schedules A, B, C, D, E, F, G, and H attached hereto (the "Commitment" or "Commitment Letter").

**A. LOAN TERMS**

1. **Background** - Station Pointe Apartment: 403 Belvedere Gate NW, Edmonton, Alberta; construction of a 112 unit residential rental apartment, 2 identical 56 unit buildings (stratified condo title) situated on 3.32 acres of land including +/- 18,896 square feet of ground level retail/commercial space (the "Project" or "Property").
2. **Lender** - KingSett Mortgage Corporation (the "Lender")
3. **Borrower** - Station Point Developments Ltd. (the "Borrower")
4. **Guarantee** - Unlimited joint and several personal credit guarantee from Mr. Benny Raimondi, along with the unlimited joint and several corporate guarantees of BCM Developments Ltd. and Fortis LGS Structures Inc. (collectively the "Guarantor" and/or "Guarantors"), together with a postponement of shareholder and creditor claims against the Borrower and the Project.  
(Hereinafter, the "Guarantee").
5. **Loan Amount** - \$17,000,000 including a \$1,445,000 Interest Reserve as defined below (the "Loan" or "Loan Amount").
6. **Interest Rate** - 8.50% per annum, calculated on the daily outstanding balance, compounded and payable monthly, both before and after maturity, default and/or judgment with respect to the Loan (the "Interest Rate").
7. **Interest Reserve** - Provided the Loan is not in default, an interest reserve of \$1,445,000 may be used by the Borrower to make its Monthly Payments of the Loan. For greater certainty, monthly interest (i.e., the Monthly Payments) shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total of \$1,445,000 of Monthly Payments to the Loan. Upon default by the Borrower under the Loan or Security or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve (the "Interest Reserve").
8. **Lender's Fee** - \$340,000 (2.00% of the Loan amount) upfront fee earned by the Lender upon the Borrower's execution of this Commitment Letter (the "Lender's Fee"). The Lender's Fee is non-refundable. The portion of the Good Faith Deposit, as defined below, not used to pay transaction

refundable. The portion of the Good Faith Deposit, as defined below, not used to pay transaction expenses incurred by the Lender shall be applied as a credit toward the Lender's Fee. The Lender shall deduct the unpaid balance of the Lender's Fee from the proceeds of the initial advance under the Loan.

9. **Good Faith Deposit** – Lender acknowledges prior receipt of a \$75,000 good faith deposit (the "Good Faith Deposit"). This deposit will be used for expenses and the related HST, GST and/or PST that may be incurred by the Lender prior to the initial advance of the Loan, such as, but not limited to, the cost of property inspections, legal fees and disbursements, environmental site assessments, appraisal reports, building condition reports, insurance consultant reports and the cost of title insurance, if applicable, with the remaining balance, if any, to be credited towards the Lender's Fee.

Lender acknowledges receipt of the \$75,000 Good Faith Deposit.

The Borrower acknowledges that such deposit is a reasonable estimate of the Lender's cost incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that the same may be retained by the Lender should the Loan not be funded for any reason.

10. **Project Budget** – For the Project Budget, see Schedule "B"

For greater certainty, the Lender approved Project Budget shall be no greater than \$26,757,211. The same may be amended or modified from time to time subject to the prior written consent of the Lender. Consent to increase the budget may be unreasonably withheld, conditioned and/or delayed by the Lender unless 100% of the Project Budget increase is forthwith funded by additional cash equity injected into the Project by the Borrower.

11. **Project Monitor** – the Lender's cost consultant / project monitor shall be Turner & Townsend (the "Project Monitor" or "Cost Consultant"). The scope of the Project Monitor's mandate is outlined in Schedule "C" Project Monitor Mandate / Reporting. The cost of the Project Monitor and its reports, including GST/PST and/or HST, shall be for the exclusive account of the Borrower.

12. **Minimum Project Equity** – The Borrower shall maintain a minimum cash equity position of \$3,117,211 in the Project until the Loan has been fully repaid (the "Minimum Project Equity").

13. **Monthly Payments** – Monthly payments of interest only, not in advance, are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate defined below, subject to the Interest Reserve provisions noted in this Commitment Letter (the "Monthly Payments"). Monthly Payments are to be made on the first calendar day of every month until the Loan is repaid in full commencing on the first calendar day of the month next following the date of initial advance of the Loan. NSF payments will be subject to an administrative fee of \$500.00.

14. **Term of Loan** – Twenty Four (24) months from the date of initial advance if the same occurs on the first calendar day of a month otherwise twenty four (24) months from the first calendar day of the month next following the date of initial advance (the "Maturity Date"). Loan Amount repayable in full on the Maturity Date.

15. **Amortization** – Not applicable; monthly interest payments only.

16. **Prepayment** – The Loan is closed for prepayment prior to the maturity date.

17. **Over Holding Fee** – If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay to the Lender an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Lender by the Borrower pursuant to this Commitment Letter. More particularly, this fee shall be earned by and payable to the Lender monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof,

multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Borrower hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Borrower further acknowledges that the Lender, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

18. Costs and Expenses -- Borrower to bear all costs and expenses incurred by the Lender from time to time in connection with the subject Loan regardless of whether or not the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, disbursements, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, out-of-pocket expenses for property inspections and the HST, GST and/or PST related to all such costs and expenses.

19. Partial Discharges -- Partial discharges shall not be permitted.

Lender will charge an administration fee of \$1,000 for full discharge of the mortgage and other security (the "Administration Fee")

All legal fees, disbursements and GST/HST related to the discharge of the Lender's mortgage and other security shall be paid by the Borrower.

20. Permitted Encumbrances

The Lender hereby acknowledges and consents to a second mortgage/charge in the registered principal sum of no more than \$4,000,000 in favour of a lender to be determined and acceptable to the Lender in its sole and unfettered discretion (the "Mezzanine Lender"), provided that the Mezzanine Lender enters into a postponement, subordination and standstill agreement with the Lender in the Lender's prescribed form for the purpose of postponing any Borrower indebtedness to the Mezzanine Lender the Mezzanine Lender's mortgage to the Loan and the Security therefor.

The Lender hereby acknowledge and consents to a third mortgage/charge (the "Caveat") registered on title with respect to the outstanding amount owed to the City of Edmonton (the "City") pursuant to the agreement of purchase and sale dated April 26, 2012 and amended November 24, 2014 between BCM Developments Ltd. and the City for the subject lands. The outstanding balance owed is \$2,364,000 which is the purchase price of \$4,464,000 less a \$100,000 deposit, \$1,000,000 payment on closing and \$1,000,000 payment on the first anniversary date of the land purchase being January 12, 2015. The outstanding balance shall be repaid by the sum of \$1,000,000 on the second anniversary of the closing date with the remaining balance paid in full on the third anniversary of the closing date. In addition, the City has registered an agreement to buy back the land ("The Buy Back Option Agreement") in the event the Borrower has not met certain construction milestones on or before (To Be Provided).

(Collectively, the second mortgage in favour of the Mezzanine Lender, the Caveat and The Buy Back Option Agreement shall be referred to as the "Permitted Subordinate Encumbrances").

21. Security - The Loan shall be secured by the following security which, prior to any advance under the Loan, shall be delivered by the Borrower to the Lender in form, scope and substance satisfactory to the Lender and its legal counsel (collectively, the "Security"):

- a. Registered \$21,250,000 first mortgage/charge over the Property.
- b. General Security Agreement ("GSA") registered in first priority under Personal Property Security Act ("PPSA"); *to be property specific*

- c. Unlimited joint and several credit guarantee of the Guarantors, together with a postponement of shareholder and creditor claims against the Borrower. In addition, the Guarantors will provide:
  - i) a guarantee to complete the Project;
  - ii) a cost overrun guarantee to keep the Project free of all liens and to fund all costs to complete the Project including, without limitation, all interest costs, fees, insurance premiums and other payments associated with the Project;
  - iii) a guarantee for environmental issues, misrepresentations, negligence and willful misconduct;
  - iv) a guarantee to repay the Loan in full including all unpaid loan principal, unpaid loan interest and all unpaid costs and expenses incurred by the Lender in connection with the Loan
- d. General Assignment of Rents and Leases registered in first priority on title to the Project lands.
- e. General assignment of all current and future material contracts for the Project including, without limitation, those relating to engineering specifications and drawings, architectural specifications and drawings, plans, construction contracts, licenses and permits to be registered in first priority under PPSA.
- f. A specific assignment of any and all easement, access, egress, maintenance, parking, crane swing, tie-back and other agreements with neighbouring land owners to the Project as determined by the Lender. Such assignment to be in scope, form and content acceptable to the Lender. The assignments are to be acknowledged in writing by all parties that are neither the assignor nor the assignee of such assignments. The requirements of this paragraph shall not apply to agreements registered on title to the Project land in priority to the Lender's mortgage.
- g. Acknowledgement, direction and security agreement from the beneficial owners of the Property, if the same are different than the registered owner of the Property, with respect to all of the security agreements entered into by the registered owner of the Property in favour of the Lender.
- h. Hazardous Substance Indemnity with respect to the Project in scope, form and substance acceptable to the Lender.
- i. Subordination and standstill agreement shall be required between the Lender and the Permitted Subordinate Encumbrances in form and content acceptable to the Lender.
- j. Specific Assignment of the construction management contract for the Project, or contracts if more than one. Lender may assume, at its option, the rights of the Borrower under the same if an Event of Default has occurred as defined in the Security. The assignment of the construction contract, or contracts if more than one, in favour of the Lender shall be acknowledged and consented to in writing by the construction manager with such assignment to be in scope, form and content determined by the Lender.
- k. Negative Pledge by Borrower and Guarantor to not repay any shareholder loans, redeem shares, pay out dividends nor to otherwise compensate the Project sponsors and other non-arm's length parties until such time as the Loan has been repaid in full, save and except for repatriation of surplus equity on first draw as contemplated herein and those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project budget prepared by the Project Monitor

- l. Assignment of Insurance - Insurance coverage as set out Schedule "A" Assignment by the Borrower to the Lender of all insurance for the Project. The Lender's independent insurance consultant shall at the Borrower's expense, review the required insurance coverage's and policies.
- m. Hypothecation and Pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner for the Project). The Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and unit certificates.
- n. Pledge to the Lender of any and all issued and outstanding common shares of the Borrower and Fortis LGS Structures Inc. The Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and unit certificates.
- o. Assignment of Retail Purchase and Sale Agreements, which agreements must provide for the assignment thereof by the Seller.
- p. Solicitor's Letter of Opinion confirming all Security is in place.
- q. Such other Security as the Lender and/or its legal counsel may reasonably require.

The Lender's mortgage and general assignment of rents and leases shall be registered on title to the Project lands. Where applicable, as determined by the Lender, PPSA registrations shall be granted in favour of the Lender with respect to the Lender's personal property security for the Loan.

#### **B. CONDITIONS PRECEDENT**

The Loan shall be subject to the following pre-funding conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan (collectively, the "Conditions Precedent"):

1. Financial and operating due diligence on Borrower, Guarantors, and Project.
2. Satisfactory inspection of the Property by the Lender.
3. Receipt and satisfactory review of accountant prepared financial statements of the Borrower and corporate Guarantors for its last 2 fiscal year-ends.
4. Receipt and satisfactory review by the Lender of a complete copy of all agreements setting out the registered and beneficial ownership of the Project and the Borrower together with a complete organizational chart.
5. Receipt and satisfactory review of zoning, Site Plan Approval and other entitlement documentation including all permits for excavation, foundation and superstructure construction confirming that the Project has been zoned and otherwise approved to permit the construction and completion of the Project as herein described.
6. Receipt and satisfactory review of a certified proforma rent roll and operating statement for the Project for the first year of operations after completion.
7. Satisfactory budget review from the Project Monitor, in accordance with Schedule "C", confirming the reasonableness of the \$26,757,211 total Project Budget. The Project Monitor shall further confirm that the Project can reasonably be completed within 24 months of the initial advance and the reasonableness of the interest expense for the first mortgage. Lender's cost consultant to review all Project contracts. A minimum of 75% of the Project hard costs are to be covered under executed fixed price contracts or



- as otherwise recommended by the Lender's cost consultant. Lender shall receive, at the Borrower's cost, ongoing progress reports from the Project Monitor until such time as the Loan is repaid in full.
8. The Project monitor is to confirm that the Borrower has met the Minimum Project Equity which is required to remain in the Project until the Loan is repaid in full.
  9. Receipt and satisfactory review of a detailed cash flow and timeline reflecting the Project Budget as it relates to the Project. The adequacy of the cash flow and timeline shall be confirmed by the Project Monitor.
  10. Receipt and satisfactory review by the Lender of the environmental site assessment for the Project from an acceptable environmental site assessment firm. Report to be addressed to Lender or supported by a letter of transmittal from the environmental assessment firm in favour of the Lender.
  11. Receipt and satisfactory review by the Lender of the geotechnical soil report for the Property from an acceptable engineering firm confirming the feasibility of the proposed Project under existing soil conditions. Report to be addressed to the Lender or supported by a letter of transmittal from the author of the report in favour of the Lender.
  12. Receipt and satisfactory review by the Lender of the A.A.C.I appraisal report for the Project from an acceptable appraisal firm confirming on a "completed basis" a minimum appraised rental apartment value of \$27,500,000 (residential only) and total project value of not less than \$34,000,000. Report to be addressed to the Lender or supported by a letter of transmittal from the author of the report in favour of the Lender.
  13. Receipt by the Lender and the Project Monitor of all Project architectural and engineering plans, drawings and specifications together with all related architectural and engineering fee-for-service soft cost contracts. Such contracts to be acceptable to the Lender and the Project Monitor.
  14. Receipt and satisfactory review by the Lender and Project Monitor, as to scope, form and content, of the construction management contract. Lender to be satisfied in its absolute, unfettered discretion with the Borrower's construction manager for the Project. If the Lender is not so satisfied, in its absolute and unfettered discretion, the Lender may, at its exclusive option, forthwith terminate this Commitment and cancel its obligation to grant the Loan to the Borrower.
  15. If applicable, receipt and satisfactory review by the Lender and the Project Monitor of any and all cost sharing, parking, maintenance, easements, egress/ingress, crane swing, tieback or other contracts with neighbouring land owners.
  16. Receipt and satisfactory review by the Lender and its insurance consultant, Canrisc Insurance Consulting Services, of appropriate insurance coverages for the Project. The cost of the insurance review by the Lender's insurance consultant will be for the exclusive account of the Borrower. See attached Schedule "A" for Lender's insurance requirements.
  17. Receipt and satisfactory review by the Lender of a real property report / survey for the Project prepared by an accredited Ontario land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes. Alternatively, at the cost of the Borrower, title insurance with First Canadian Title may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel.
  18. Satisfactory receipt and review by the Lender of current personal net worth statement and/or current financial statements for the Guarantors.
  19. Satisfactory receipt and review by the Lender and its legal counsel of the agreement of purchase and sale for the Project lands between the City of Edmonton and BCM Developments Ltd., The Buy Back Option Agreement and any amendment or registered caveats thereto.

20. Confirmation from the City of Edmonton that all conditions precedent with respect to the Permitted Subordinated Encumbrances and agreement of purchase and sale for the Project lands have been satisfied, with specific reference made to the "commencement or required construction" as defined in the agreement.
21. Confirmation from the Mezzanine Lender that all conditions precedent with respect to the Permitted Subordinated Encumbrances have been satisfied and that their loan is in good standing.
22. Satisfactory confirmation and evidence that the agreement of purchase and sale between the City of Edmonton and BCM Developments Ltd., and any schedules or amendments thereto have been assigned from BCM Developments Ltd. To the Borrower. The assignment shall be acknowledged by the City of Edmonton.
23. Receipt and satisfactory review by Lender of a real property report / survey for the Property prepared by an accredited land surveyor. Alternatively, title insurance may be put in place with Stewart Title, First Canadian Title, or Chicago Title at the cost of the Borrower, which is deemed satisfactory to the Lender and its legal counsel.
24. Receipt and satisfactory review by the Lender and its solicitors of all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights-of way, property tax status and environmental notices. The off-title searches are to be obtained by the Borrower's solicitors and forwarded to the Lender's solicitors for review. Alternatively, title insurance may be put in place, at the cost of the Borrower, that is deemed satisfactory to the Lender and its solicitors.
25. Title to the Property to be acceptable to the Lender and its legal counsel. An acceptable title, enforceability and priority opinion shall be provided by the Borrower's legal counsel to the Lender's legal counsel. Alternatively, title insurance may be put in place with Stewart Title, First Canadian Title, or Chicago Title at the cost of the Borrower, which is deemed satisfactory to the Lender and its legal counsel.
26. Evidence satisfactory to the Lender of clean title including the absence of liens and other encumbrances and any other encumbrances specifically approved in writing by the Lender.
27. All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Project shall have been paid to the date of the advance of the Loan unless the same form part of the Lender-approved Project budget and are to be included in ongoing loan advances under the Loan.
28. All Security to be executed by, as applicable, the Borrower, the Lender and the Guarantor and to, as applicable, be registered on title to the Project lands, and/or under the PPSA at least one (1) business day prior to the initial advance of the Loan.
29. Borrower to complete and execute Lender's Pre Authorized Debit ("PAD") form which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment required hereunder should full utilization, suspension or cancelation of the Interest Reserve occur. See Schedule "F" attached hereto.
30. Borrower to complete and execute the Lender's Notice to Property Tax Authority for the Property which shall permit the Lender to request information from the municipality regarding the Property's property taxes. See Schedule "G" attached hereto.
31. All Conditions Precedent to be satisfied at least one (1) business day prior to the initial advance of the Loan.
32. Other usual matters involved in due diligence for a project of this nature.

C. FUNDING

1. **Advances** – The initial advance of the Loan is subject to the prior execution and registration of the Security and the satisfaction of all terms and conditions of this Commitment letter including, without limitation, the Conditions Precedent to each of the Loan Facilities. The Lender will require two (2) business days' notice from the receipt of the Borrower's written advance request to fund all advances.

Loan advances to be granted as follows:

- 2 *SEPTEMBER*
- a) An initial advance of the loan shall be made on or before *AUG 18, 2016* *18, 2016* and in no case later than August 18, 2016.
- b) Subsequent advances under the Loan shall be permitted not more frequently than once per month and in minimum monthly increments of \$250,000 (more or less) for the purpose of funding Lender approved Project costs with such advances to be made on a cost-in-place basis subject to the Lender's cost-to-complete formula.
- c) All requests for advances under the Loan shall be made in writing from the Borrower to the Lender and shall be accompanied by a progress advance report from the Project Monitor that includes, inter alia, the following, each in form and substance satisfactory to the Lender:
- i) Details of work-in-place with reference to the Lender-approved Project Budget.
  - ii) Certificate from the Project Monitor indicating:
    - a. Cost of work-in-place;
    - b. Certification by acceptable party that the work to-date has been completed in accordance with the plans and specifications previously submitted to the Lender and relied upon by the Lender in granting the Loan;
    - c. The amount of statutory lien and/or other Lender-required holdbacks and the estimated cost-to-complete the Project; and
    - d. Estimated substantial Project completion date.
  - iii) Written correspondence from the Lender's legal counsel confirming clear title.
- d) Accumulated advances under the Loan shall at no time exceed the cost of work-in-place less the sum of the following:
- 1) holdbacks required by the Project Monitor, if any;
  - 2) the Minimum Project Equity;
  - 3) deferred equity (City of Edmonton VTB) of \$2,640,000;
  - 4) Mezzanine Lender loan amount of \$4,000,000.
- e) All realty taxes including, without limitation, all levies, development charges, educational development charges and local improvement rates billed to the date of each advance of the Loan are to be paid in full by way of deduction from the advance of the Loan or, if applicable, by further equity injection by the Borrower.
- f) For each advance under the Loan, the Borrower shall sign a statutory declaration satisfactory to the Lender and its legal counsel confirming that all Loan proceeds are being used solely to pay all Lender-approved accounts payable of the Project and for no other purpose whatsoever. Any use of Loan proceeds for any purpose other than that which has been approved by the

Lender in connection with the Project Budget shall constitute default by the Borrower under this Commitment Letter and the Security agreements.

- g) Lender reserves the right to make advances directly to the project monitor or trades (sub-trades or otherwise) and/or suppliers if the Borrower is in default under the Loan or if the Lender believes, in its sole and unfettered discretion without the need to furnish evidence to the Borrower thereof, that Loan advances are being diverted from the Project and/or are being used to fund Project costs not provided for in the Lender approved Project Budget set out in the most recent Project Monitor report.
- h) All Loan advances provided for hereunder shall be subject to payment by the Borrower of the Lender's legal fees, disbursements and HST, GST and/or PST incurred in the making of said Loan advances.
- i) All loan advances, shall be subject to a \$500 loan advance fee payable to the Lender which amount shall be deducted from the applicable advance of the Loan by the Lender.

In the event that the initial advance of the Loan has not been made by August 18, 2016, at the exclusive option of the Lender, its obligations under this Commitment shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under the Commitment and Security documents including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

#### D. SPECIAL CONDITIONS

1. Subsequent Financing – No further encumbrances, other than the Permitted Subordinate Encumbrances, secured or unsecured, are permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and shall not pledge or otherwise further encumber its interest in the Project. Subsequent financing of the Property without the Lender's prior written consent shall be deemed an event of default under this Commitment and the Security documents.
2. Sale of Project – Prior to full repayment of the Loan, the Borrower may not sell the Project, in whole or in part, without the Lender's prior written consent and the assumption of the Loan by a purchaser of the Project shall not be permitted. Sale of the Property without the Lender's prior written consent shall be deemed an event of default under this Commitment and the Security documents.
3. Real Property Taxes – the Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment at least quarterly or as otherwise requested from time-to-time by the Lender.
4. Ongoing Disclosure - at the Lender's request from time-to-time, the Borrower shall provide the Lender with ongoing Project information including, but not limited to, working and final architects' / engineers' drawings; construction budgets; artist's renderings; floor plans for the proposed units and Project Monitor reports.
5. GST – Borrower accepts full responsibility for remittance and payment of any and all GST due and the monthly submission and collection of all GST claims and credits. The approved Project Budget shall include the net difference for GST paid less GST recovered.



6. **Lender's Sign** – the Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Project lands at any time after execution of the Commitment by the Borrower but prior to full repayment of the Loan, which sign shall state that the Lender has assisted with the financing of the Project. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to full repayment of the Loan. Following full repayment of the Loan, the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
7. **Governing Laws** - the Commitment and Loan shall be governed by and construed under laws of the Province of Alberta and the laws of Canada as applicable therein.
8. **Lender's Legal Counsel**  
Brownlee LLP  
2200 Commerce Place  
Edmonton, Alberta  
T5J 4G8  
Attention: Mr. Roger Swainson
9. **Borrower's Legal Counsel:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
10. **Other Conditions:** See Schedule "D".
11. **Reporting:** See Schedule "E"
12. **Letter to Tax Authorities:** See Schedule "G"
13. **Privacy Act Consent:** See Schedule "H"

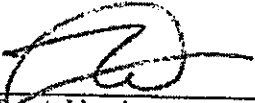
If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one copy of this Commitment to the Lender's office by May 26, 2016, failing which this letter shall, at the Lender's option, be deemed null and void.



Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per: \_\_\_\_\_  
Scott Coates  
Managing Director, Mortgage Investments

Per:  \_\_\_\_\_  
Ernesto Licursi  
Executive Director, Mortgage Investments

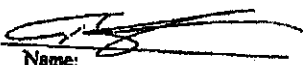
*\*\*\*Borrower and Guarantor Acknowledgement on next page\*\*\**

KingSett

**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**BORROWER:**  
**STATION POINT DEVELOPMENTS LTD.**

Per:   
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/we have authority to bind the Corporation.

**GUARANTORS:**

  
Mr. Benny Raimondi


\_\_\_\_\_  
Witness  
Name:

**BCM DEVELOPMENTS**

Per:   
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**FORTIS LGS STRUCTURES INC.**

Per:   
Name: *COURT RAIMONDI*  
Title: *PRESIDENT*

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**  
**CONSTRUCTION INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
3. **KingSett Mortgage Corporation** must be shown as **First Mortgagee and Loss Payee** under the **Builder's Risk** and, where applicable, **Boiler and Machinery Insurance** policies.
4. The Borrower/Registered Owner must be shown as a **Named Insured** or **Additional Named Insured** under all policies of insurance in force with respect to the subject Project.
5. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
6. The **Builder's Risk** and, where applicable, **Boiler and Machinery** policies shall contain a standard mortgage clause in favour of **KingSett Mortgage Corporation**.
7. All policies of insurance must provide **KingSett Mortgage Corporation** with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the Statutory Conditions may apply.
8. There needs to be evidence of **Builders Risk** insurance written on an **All Risk or Broad Form** basis, subject to the latest **CCDC** policy wording.
9. The **Builders Risk** insurance needs to insure 100% of the projected **Hard Costs** and not less than 25% of the projected recurring **Soft Costs**.
10. There needs to be evidence of full **By-laws** extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the property and resultant loss of income.
11. There needs to be evidence of **Earthquake** insurance.
12. There needs to be evidence of **Flood** insurance
13. There needs to be evidence of **Sewer Back-Up** insurance
14. The **Builders Risk** policy needs to include a "**Permission to Occupy**" clause.
15. The **Builders Risk** policy needs to include **Delayed Rental Income / Soft Costs** insurance to cover the anticipated loss of revenue for one year, which may be incurred in the event of an insured loss, during construction.
16. Please provide copies of all policy "**Warranties**" that apply.
17. The **Builder's Risk** policy will provide coverage for the, **installation, testing and commissioning, of machinery and equipment.**
18. There must be evidence of comprehensive **Boiler and Machinery** insurance covering all central **HVAC** and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown.
19. Such other insurance as **KingSett Mortgage Corporation** may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.





There must be full, original, certified, endorsed copies of the insurance policies provided to KingSett Mortgage Corporation, as soon as available from the insurers. (The certified policy copies should be available within 60 to 90 days). Signed Certificates or Binders of Insurance addressing the above will suffice as insurance evidence for closing purposes.

Certificates or Binders of Insurance are not acceptable if they contain the words, "This certificate is issued as a matter of information only and confers no rights upon the certificate holder" and the words "will endeavour to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" under the cancellation clause.

**SCHEDULE "A" CONTINUED**  
**CONSTRUCTION LIABILITY INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
3. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
4. All policies of insurance must provide KingSett Mortgage Corporation with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the Statutory Conditions may apply.
5. KingSett Mortgage Corporation must be an Additional Insured under all Liability Insurance policies covering the Property with respect to claims arising out of the operations of the Named Insured.
6. Such other insurance as KingSett Mortgage Corporation may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

**Owners Liability:**

7. There must be evidence of Owners' liability insurance, with a minimum limit of \$5,000,000 per occurrence or such other limit as may be agreed to by lender, unless the owner has purchased a Wrap-up Liability policy.

**Contractors Liability:**

8. There must be evidence of Contractors Liability insurance, with a minimum limit of \$5,000,000 per occurrence or such other limit as may be agreed to by lender.
9. The Borrower/Owner must be added as an Additional Named Insured under any Contractor's Liability insurance, but only with respects to claims arising out of the operations of the Named Insured.

**Wrap-up Liability:**

10. There must be evidence of Wrap-Up Liability insurance, with a minimum limit of \$5,000,000 per occurrence
11. The Borrower/Owner must be added as an Additional Named Insured under the Contractor's Wrap-up Liability insurance, but only with respects to claims arising out of the operations of the Named Insured.

**Other:**

12. The Lender will not accept evidence of insurance on a CSIO form, or an ACORD Form # 25 (or their equivalents), due to the limitation in the wording as to its efficacy, and the restrictive cancellation provisions.



13. Evidence of Professional Liability (Errors & Omission) insurance is required for the architect and engineer.

There must be full, original, certified, endorsed copies of the insurance policies provided to KingSett Mortgage Corporation, as soon as available from the insurers. (The certified policy copies should be available within 60 to 90 days). Signed Certificates or Binders of Insurance addressing the above will suffice as insurance evidence for closing purposes.

Certificates or Binders of Insurance are not acceptable if they contain the words, "This certificate is issued as a matter of information only and confers no rights upon the certificate holder" and the words "will endeavour to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" under the cancellation clause.

---

(end of Schedule "A")



**SCHEDULE "B"**  
**PROJECT BUDGET**

The total Project Budget has been represented by the Borrower as set out below and shall be reviewed by the Project Monitor):

Sources of Funds			Uses of Funds		
Cash Equity	\$ 3,117,211	11.6%	Land Costs	\$ 3,701,650	13.8%
3rd Mortgage - Land VTB	\$ 2,540,000	9.9%	Hard Costs (Inc. cont.)	\$ 17,622,958	65.9%
2nd Mortgage - Mezzanine	\$ 4,000,000	14.9%	Soft Costs	\$ 2,898,417	10.8%
1st Mortgage - KingSett	\$ 17,000,000	63.5%	Soft Cost Contingency	\$ 41,025	0.2%
			Financing Costs	\$ 2,493,161	9.3%
<b>Total Sources</b>	<b>\$ 26,757,211</b>	<b>100.0%</b>	<b>Total Uses</b>	<b>\$ 26,757,211</b>	<b>100.0%</b>

(the "Project Budget").

The Borrower and/or applicable Guarantor shall be required to finance any and all Project Budget overruns from its/their own financial resources and not from proceeds advanced under the Loan.

---

(end of Schedule "B")

**SCHEDULE "C"**  
**PROJECT MONITOR MANDATE / REPORTING**

**A. Preliminary Report Prior to Initial Funding:**

Project Monitor to review and comment on the following:

1. Borrower's proposed detailed Project budget.
2. All Project architectural and engineering plans, drawings and specifications along with all related architectural and engineering fee-for-service soft cost contracts.
3. Construction management contract, if applicable.
4. Environmental site assessment report(s) and Geotechnical report(s), if any.
5. Borrower's proposed construction time schedule and project cash flow.
6. All material cost-items, contracts and change orders with major trades.
7. Building permits, development and other municipal / regional agreements, management agreements, consultant's agreements including design, sales, legal and marketing.
8. Review all existing leases and confirm tenant improvements/inducement, rents and deposits carried in the Project budget.
9. All loan agreements and commitment letters, amendments for the financing of the proposed Project. Project Monitor to confirm reasonableness of the interest expense carried in the budget.

Project Monitor to prepare a preliminary report inclusive of the following information:

1. The Project budget, as revised by the Borrower and approved by the Lender, further to the Project Monitor's recommendations.
2. Confirm and monitor Borrower's Minimum Project Equity is maintained in the Project at all times.
3. Review the construction time schedule and project cash flow. Project Monitor to re-confirm reasonableness of schedule to the Lender.
4. Identify any potential issues that may affect the completion of the Project in accordance with the Project budget and the construction time schedule.
5. Any additional recommendation as they become apparent during Project Monitor's review and discussions with the Borrower and/or Lender.

**B. Progress Draw Reports Prior to Subsequent Advances for Cost-In-Place:**

During construction of the Project submit monthly progress draw reports to the Lender, including the following:

1. Conduct monthly site inspections prior to every draw request, including photographs and commentary on all cost-in-place and status of Project.
2. Update and confirm costs of work completed to-date, work-in-place, holdback amounts, value of change orders, and estimate of cost-to-complete of the Project.
3. Review and comment on any changes to Project scope or budget, including revised drawings, if applicable.
4. Identify any existing or potential issues that may affect Project completion within the Budget.
5. Receipt and receive of standard form Statutory Declaration of Progress Payment Distribution and WSIB certificate.
6. Project monitor certificate per section C.1.e) ii.

---

(end of Schedule "C")

**SCHEDULE "D"  
OTHER CONDITIONS**

1. Subsequent indebtedness to the Loan other than the Permitted Subordinate Encumbrances, secured or unsecured (excluding normal course trade payables arising in connection with the business of the Borrower), is not permitted in connection with the Property without the prior written consent of the Lender. Subsequent indebtedness to the Loan, secured or unsecured, without the Lender's prior written consent shall constitute default under the Commitment and Security documents.
2. Prior to full repayment of the Loan, the Borrower may not sell the Property, in whole or in part, without the Lender's prior written consent and the assumption of the Loan by a purchaser of the Property, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed or conditioned. Sale of the Property, in whole or in part, without the Lender's prior written consent shall constitute default under the Commitment and Security documents. This paragraph does not apply to individual townhome unit sales to arm's length purchasers.
3. A change in ownership of the Borrower shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed or conditioned. A change in ownership of the Borrower without the Lender's prior written request shall constitute default under the Commitment and Security documents.
4. The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time-to-time by the Lender.
5. Loan disbursements shall take place only on title to the Property being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and all Security and other instruments and agreements to evidence and secure the Loan being duly executed with evidence of registration where applicable.
6. The Lender shall require a satisfactory opinion and report from its solicitors regarding any encumbrances, financial charges or claims registered or to be registered against the Property.
7. The Lender shall require evidence of all corporate authorities together with an opinion of the Borrower's counsel as to usual matters such as: corporate authorities, absence of litigation, delivery of security and execution of all security listed herein.
8. The Borrower and guarantor(s) shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security.

In addition to any liability imposed on the Borrower and Guarantor(s) under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantor(s) shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor(s) set forth in this subparagraph:

- a) are separate and distinct obligations from the Borrower's and guarantor(s)' other obligations;
  - b) survive the payment and satisfaction of the Borrower's and guarantor(s)' other obligations and the discharge of the Security from time to time taken as security therefore;
  - c) are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
  - d) shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
9. The Lender's Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent. However, the Commitment and Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Property and the Borrower within the possession or control of the Lender.
10. The Borrower accepts full responsibility for remittance and payment of any and all GST/HST due and the submission of GST/HST credits or claims.
11. The Borrower acknowledges that the Lender may inspect the Property at any time at the expense of the Borrower.
12. In the event of the Borrower failing to pay any amount when due or being in breach of any covenant, condition or term of the commitment or the Security, or if any representation made by the Borrower and any guarantor or their respective agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Property, any guarantor of the Loan or the risk associated with the Loan, the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender and the Lender may cease or delay further funding or may exercise any and/or all remedies available to it at law and/or in equity. Further, the Lender may, at its option, on notice to the Borrower, declare the principal and interest on the Loan, and any other amount due under the commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
13. No extension, postponement, forbearance, delay, or failure on the part of Lender in the exercise of any power, right or remedy under this Commitment or any Security agreement or instrument executed in connection therewith or evidencing or securing the Loan, or at law or in equity, shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition or covenant of the Borrower or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by Lender of any violation, failure or default by Borrower of the same or any other covenant or condition contained in the Loan, the Commitment or the Security or any other document or instrument executed in connection therewith.

14. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
15. The Borrower agrees that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
16. If the Borrower is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation comprising the Borrower unless otherwise specifically stated herein.
17. Time is of the essence in this Commitment.
18. The Borrower will repay all indebtedness to the Lender on or before the Maturity Date, if so permitted pursuant to this Commitment letter, and, prior to the repayment of the Loan in full, hereby covenants to promptly pay its taxes, protect its property by contest of adverse claims, maintain required insurance, perform its obligations under contracts and agreements, obtain, where applicable, all necessary approvals for construction and use of the Property, comply with all governmental rules and regulations, permit reasonable inspections by the Lender and its agents of the Property and of all records pertaining to the Property.
19. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full.
20. The Borrower will provide the usual warranties and representations respecting: accuracy of financial statements and that there has been no material adverse change in the Borrower's financial condition or operations, as reflected in the financial statements used to evaluate this credit; title to the Property charged by the Security; power and authority to execute and deliver documents; accuracy of documents delivered and representations made to Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Property; preservation of assets; no undefended material actions, suits or proceedings; payment of all taxes; no consents, approvals or authorizations necessary in connection with documentation; compliance of any construction related to the Property with all laws; no other charges against mortgaged lands except permitted encumbrances; all necessary services available to the Property; no hazardous substances used, stored, discharged or present on the mortgaged lands and will warrant such other reasonable matters as Lender or its legal counsel may require.
21. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
22. Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations where the context so requires.





23. The headings and section numbers appearing in this Commitment are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of this Commitment.
24. The parties agree that this Commitment and the Security documents and the acceptance thereof by all parties may be made by facsimile transmission or by certified electronic signature and electronic transmission.
25. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Commitment will prevail.

---

(end of Schedule "D")

**SCHEDULE "E"  
REPORTING**

Borrower shall provide the Lender with copies of the following for the Property:

1. Any and all insurance policy renewals and/or amendments within ten (10) business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense.
2. Property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Lender from time to time.
3. ~~Review Engagement or auditor prepared certified financial statements for the registered and beneficial owners of the Property and for each corporate guarantor prepared by a chartered accountant within 90 days of each fiscal year end.~~ *Notice to reader*
4. Regular Project Budgets prepared and updated by the Project Monitor from time-to-time (i.e., until the Loan is repaid in full, the Borrower shall provide the Lender with a copy of each and every Project Monitor report prepared for the Borrower or the Lender).

At the Lender's request from time-to-time, the Borrower shall provide the Lender with any other relevant updates regarding the Property.

---

(end of Schedule "E")



**SCHEDULE "F"  
PRE-AUTHORIZED DEBIT ("PAD") FORM**

I/we authorize KingSett Mortgage Corporation ("KingSett") and the financial institution designated (or any other financial institution I/we may authorize at any time) to begin deductions as agreed under the KingSett loan agreement(s) for monthly regular recurring payment and/or one-time payments from time to time. Regular monthly interest payments will be debited from my/our specific account on the 1st business day of each month. KingSett will provide five (5) days written notice of the amount of each regular monthly debit. KingSett will obtain my/our authorization for any other one-time or irregular debits.

This authority is to remain in effect until KingSett has received written notification from me/us of its change or termination. This change or termination notification must be received by KingSett at least ten (10) business days before the next debit is scheduled at the address provided below.

KingSett may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least ten (10) days prior written notice to me/us.

I/we have certain recourse rights if any debt does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debt that is not authorized by the KingSett loan agreement(s) or is inconsistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact your financial institution or visit [www.edmpay.com](http://www.edmpay.com).

PAD Category: Personal  Business  Fund Transfer

**PLEASE PRINT** DATE: \_\_\_\_\_

Name(s): STATION POINTE DEVELOPMENT LTD. Loan Number: \_\_\_\_\_

Phone Number: 780-455-1485 Purpose: Personal  Business

Address: 201-12906-54 STREET

City/Town: Edmonton Province: ALTA Postal Code: T5A-5A8

FI Name: CIBC FI Transit Number: 00059

FI Account Number: D/D Account 5892216 (branch-5 digits, FI-3 digits)

Address: 10102 JASPER AVENUE

City/Town: Edmonton Province: ALBERTA Postal Code: T5J1W5

Authorized Signature(s): [Signature]

Name: BENNY BALHARJ

c/o KingSett Capital  
Toronto-Dominion Centre, TD Bank Tower  
66 Wellington Street West, Suite 4400  
Toronto, Ontario M5K 1H6

[www.kingsettcapital.com](http://www.kingsettcapital.com)

(end of Schedule "F")



SCHEDULE "G"  
NOTICE TO PROPERTY TAX AUTHORITY

Re: Borrower: STATION POINT DEVELOPMENTS LTD.  
Property: 408 BELVEDERE WAY  
Loan No.: \_\_\_\_\_

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Mortgage Corporation, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

This approval will remain in full force and effect until the mortgage is paid in full.

Dated this 31 day of May, 2016.

BORROWER:

STATION POINT DEVELOPMENTS LTD.

Per: \_\_\_\_\_

Witness

Property Civic Address: 408 BELVEDERE WAY NW.

Roll Number: # 10163749

(Please complete in full) STATION POINT

(end of Schedule "G")



**SCHEDULE "H"  
PRIVACY ACT CONSENT**

By signing this Commitment, each of you, being the parties signing (including all mortgagors and, if applicable, guarantor) agrees that the Lender is authorized and entitled to:

- a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding and will help protect you from fraud and will also protect the integrity of the credit-granting system; and
- b) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) above (collectively your "Personal Information") to other organizations which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information.

---

(end of Schedule "H")

This is Exhibit "D" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

*LAND TITLES ACT*  
(ALBERTA)

**MORTGAGE**

**STATION POINT DEVELOPMENTS LTD.**

TO

**KINGSETT MORTGAGE CORPORATION**

## INDEX OF ARTICLES

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
ARTICLE 1.....		1
1.1	Definitions.....	1
ARTICLE 2.....		5
2.1	Loan of Principal Sum.....	5
2.2	Repayment.....	5
2.3	Payment of Interest.....	5
ARTICLE 3.....		6
3.1	Insurance.....	6
3.2	Payment of Real Estate Taxes.....	9
3.3	Maintenance and Repair of the Lands.....	10
3.4	Alterations or Additions.....	11
3.5	Hazardous Substances.....	11
3.6	Indemnity.....	12
ARTICLE 4.....		13
4.1	Mortgagor's Representations and Warranties.....	13
ARTICLE 5.....		13
5.1	Default.....	13
5.2	No Merger.....	14
5.3	Release.....	14
5.4	No Obligation to Advance.....	14
5.5	Additional Charges.....	15
5.6	Right of Subrogation.....	16
5.7	Monies Received or Collected.....	16
5.8	Discharge.....	16
5.9	Exercise of Discretion.....	16
5.10	Default Under Prior Charge.....	17
5.11	Attornment.....	17
ARTICLE 6.....		18
6.1	Appointment of Receiver.....	18
ARTICLE 7.....		20
7.1	Assignment of Rents.....	20
7.2	Leases.....	21



<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
ARTICLE 8...		21
8.1	Construction.....	21
ARTICLE 9...		23
9.1	Expropriation and Condemnation .....	23
ARTICLE 10...		24
10.1	Condominium .....	24
ARTICLE 11...		26
11.1	Interpretation.....	26
11.2	Permitted Encumbrances.....	26
11.3	Renewal or Extension .....	26
11.4	Commitment Letter Not Merged .....	26
11.5	Administration Fee .....	27
11.6	Pre-Authorized Cheque Withdrawal .....	27
11.7	Financial Records .....	27
11.8	Collateral Security.....	28
11.9	Default Under Collateral Security .....	28
11.10	Notices .....	28
11.11	Receipt Acknowledged.....	29
11.12	Charge.....	29
11.13	Property Manager.....	29
11.14	Prepayment .....	29
11.15	Due on Sale.....	29
11.16	Assumption and Amendment .....	30
11.17	Unenforceable Terms.....	30
11.18	Subsequent Encumbrances .....	30
11.19	Limitation of Actions .....	30
11.20	Governing Law.....	31
11.21	Negative Covenant .....	31
EXECUTION .....		31

### SCHEDULES

Schedule "A"	The Lands and Permitted Encumbrances
Schedule "B"	Collateral Security

# MORTGAGE

## *Land Titles Act*

### RECITALS:

- A. The Mortgagor is or is entitled to become the registered owner of the Lands;
- B. The Mortgagee has agreed to lend the Principal Sum to the Mortgagor;
- C. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee.

The Mortgagor and Mortgagee covenant each with the other as follows:

### ARTICLE 1

#### 1.1 Definitions

In this Mortgage, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Assignment" means the assignment of rents contained in Section 7.1 herein;
- (b) "Business Days" means days other than Saturdays, Sundays and Statutory Holidays;
- (c) "Collateral Security" means that additional and collateral security, if any, which is described in Schedule "B" attached hereto, or which may be required pursuant to the provisions of this Mortgage or the Commitment Letter to be granted in favour of the Mortgagee;
- (d) "Commitment Letter" means that certain letter from the Mortgagee (or the Mortgagee's agent) to the Mortgagor dated March 23, 2015 and accepted by the Mortgagor on May 12, 2015;
- (e) "Condominium Corporation" means any corporation formed in respect of the Lands by virtue of the registration of a condominium plan pursuant to the *Condominium Property Act*;
- (f) "Condominium Property Act" means the *Condominium Property Act (Alberta)* and includes all amendments thereto;

- (g) "Event of Default" means the occurrence of any one or more of the following events:
- (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage, the Collateral Security or the Commitment Letter,
  - (ii) an order being made or an effective resolution being passed for the winding up of the Mortgagor or a petition being filed for the winding up of the Mortgagor,
  - (iii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
  - (iv) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
  - (v) any proceeding with respect to the Mortgagor which is commenced under the *Companies Creditors Arrangement Act (Canada)* or any successor legislation,
  - (vi) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act (Canada)* or any successor legislation,
  - (vii) any execution, sequestration or other process of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the property of the Mortgagor or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee, and
  - (viii) any other event which, pursuant to the terms of the Mortgage constitutes, or is deemed to constitute, an Event of Default;
- (h) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:
- (i) radioactive materials,
  - (ii) explosives,
  - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of

- that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
- (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
    - A. endangers the health, safety or welfare of persons or the health of animal life,
    - B. interferes with normal enjoyment of life or property, or
    - C. causes damage to plant life or to property,
  - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
  - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (i) "Interest Rate" means 8.50% per annum, calculated daily and compounded monthly, not in advance;
  - (j) "Lands" means that parcel or parcels of land situate in the Province of Alberta and legally described in Schedule "A" attached hereto, together with all improvements of every kind whether or not affixed thereto, including without limiting the generality of the foregoing, all buildings, erections, improvements, machinery and plant, furnaces, boilers, elevators, escalators, mobile homes, plumbing, air conditioning, ventilating, refrigerating equipment, water heaters, wall to wall carpeting, plate glass, storm doors, storm windows, screens and screen doors and all apparatus and equipment appurtenant thereto whether movable or stationary, with all proper, usual and necessary gears, tools, accessories, equipment and appliances, which are now or may hereafter be placed or installed thereupon;
  - (k) "Leases" means all leases, offers to lease or other tenancy agreements in place as at the date of this Mortgage or subsequently entered into in accordance with the terms of this Mortgage;
  - (l) "Maturity Date" means December 1, 2017;

- (m) "Monthly Instalments" means monthly payments of interest only, calculated at the Interest Rate, on so much of the Principal Sum as remains outstanding from time to time;
- (n) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
- (o) "Mortgage Monies" means the Principal Sum with interest thereon at the Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.5 hereof;
- (p) "Mortgagee" means KingSett Mortgage Corporation;
- (q) "Mortgagee's Address" means Suite 4400 Toronto Dominion Centre, TD Bank Tower, 66 Wellington Street West, P.O. Box 163, Toronto, Ontario, M5K 1H6 or such other address as the Mortgagee shall from time to time direct;
- (r) "Mortgagor" means Station Point Developments Ltd.;
- (s) "Mortgagor's Address" means #201, 12906 – 54 Street, Edmonton, Alberta, T5A 5E5 or such other address as the Mortgagor shall from time to time direct;
- (t) "Permitted Encumbrances" means those encumbrances described in Schedule "A" attached hereto;
- (u) "Principal Sum" means the sum of \$26,250,000.00 in lawful money of Canada;
- (v) "Prior Charge" means any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this Mortgage, including, without restriction, the Permitted Encumbrances;
- (w) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;

- (x) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (y) "Term" means the period of time from the date hereof to and including the Maturity Date but subject to any renewals or extensions thereof.

## ARTICLE 2

### 2.1 Loan of Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor upon the terms and conditions contained herein but subject to the Mortgagee's discretion not to advance.

### 2.2 Repayment

The Mortgagor shall pay the Principal Sum, with interest thereon at the Interest Rate, to the Mortgagee at the Mortgagee's Address, as follows:

- (a) interest only at the Interest Rate on so much of the Principal Sum as shall have been advanced from time to time, shall become due and be paid by payment of the Monthly Instalments on the first Business Day of each and every month during the Term, commencing with the first Business Day of the month next following the month in which the first advance of the Principal Sum was made and continuing throughout the Term; and
- (b) on the Maturity Date, the balance of the Principal Sum then outstanding, together with all accrued but unpaid interest, shall become due and payable.

### 2.3 Payment of Interest

The Mortgagor shall pay to the Mortgagee interest at the Interest Rate in the manner aforesaid on the Mortgage Monies or on so much thereof as shall from time to time remain unpaid. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Interest Rate after as well as before maturity, default and the obtaining of any judgment by the Mortgagee, to be computed with monthly rests and all such interest and compound interest shall be a charge on the Lands.

### ARTICLE 3

#### 3.1 Insurance

- (a) The Mortgagor shall insure the Lands to the extent of the full insurable value of the Lands, or sufficient to protect the Mortgagee as the Mortgagee may reasonably request with a company or companies approved by the Mortgagee against:
  - (i) loss or damage by fire, windstorm, flooding, hail, lightning, explosion, riot, earthquake, impact by aircraft or vehicles, smoke damage, and
  - (ii) to the extent applicable, against loss or damage caused by the explosion of any steam boiler or other object generating or operated by steam and/or any closed circulation hot water system and/or any pressure vessel or by the escape of water from any sprinkler system or other piping within or operated upon the Lands, such policies of insurance to contain the usual "Extended Coverage" and "Replacement Cost" endorsements.
- (b) Further, the Mortgagor will maintain:
  - (i) general comprehensive liability insurance against claims for personal injury, death or property damage occurring on or about the Lands, such insurance to afford protection in such amounts as the Mortgagee may from time to time reasonably require, and
  - (ii) rental or business interruption insurance in such amounts as the Mortgagee may require.
- (c) The Mortgagee may, upon the occurrence of an Event of Default, effect such insurance as required by the Mortgagee.
- (d) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (e) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee making all proceeds thereunder payable to the Mortgagee. All policies shall contain either the Insurance Bureau of Canada standard mortgage clause or the Mortgagee's special mortgage clause.

- (f) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 Business Days prior to expiration of the insurance.
- (g) The Mortgagee may require any such insurance to be written by insurance companies acceptable to it, and may, at its option, cancel existing policies and require that new insurance be effected if the Mortgagee, acting reasonably, determines that the Mortgagor's insurer is not acceptable. If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee forthwith on demand, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (h) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
  - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
  - (ii) be applied in or towards the payment of the last Monthly Instalment of principal falling due under and by virtue of this Mortgage, and in case of a surplus, in or towards the payment of the Monthly Instalment next in point of time, and so on until the whole of the Principal Sum shall be paid and in case of a surplus then, in or towards payment of any interest that may be accrued due, or
  - (iii) be paid over in whole or in part to the Mortgagor but no such payment shall operate as payment or a novation of the Mortgagor's indebtedness hereunder or as reduction of this Mortgage, or
  - (iv) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;



notwithstanding any law, equity or statute to the contrary, including without restriction the *Insurance Act* (Alberta) and the *Fire Prevention (Metropolis) Act, 1774*, all rights and benefits of the Mortgagor thereunder being hereby expressly waived. Pending application of the insurance monies for the purpose aforesaid, the same shall be deemed to form part of the Lands and be subject to the charge hereby created.

- (i) The Mortgagor hereby constitutes and appoints the Mortgagee as its attorney for the purpose of demanding, recovering and receiving payment of any and all insurance monies to which it may be or may become entitled. Without limiting the generality of the foregoing, the Mortgagee may, in the name of the Mortgagor:
  - (i) file proofs of claim with any insurer who shall insure the Lands,
  - (ii) settle or compromise any claim for insurance proceeds in respect of the Lands,
  - (iii) commence and prosecute any action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands, and
  - (iv) settle or compromise any such action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands.

Notwithstanding anything herein contained it shall remain the responsibility of the Mortgagor to demand, recover and receive such payment and nothing herein shall render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the Power of Attorney hereby granted or for its failure to do any act or take any step.

- (j) Notwithstanding the foregoing, if the Lands are a condominium pursuant to the *Condominium Property Act*, then the Mortgagor shall ensure that the Condominium Corporation maintains insurance in accordance with the *Condominium Property Act*. In such event:
  - (i) the Mortgagee may, at its option, require that an insurance trustee acceptable to the Mortgagee be appointed in accordance with the provisions of the *Condominium Property Act*, and
  - (ii) all insurance proceeds will be distributed in accordance with the *Condominium Property Act*.

3.2 Payment of Real Estate Taxes

The Mortgagor shall pay as they become due all Real Estate Taxes, provided that:

- (a) the Mortgagee may deduct from any advance of the Principal Sum an amount sufficient to pay any Real Estate Taxes;
- (b) the Mortgagor shall at the option of the Mortgagee, pay to the Mortgagee on the days appointed herein for payment of interest or Monthly Instalments, such sums in addition thereto as the Mortgagee shall compute to be required to provide a fund sufficient to pay in full the Real Estate Taxes when such taxes become due and payable and the Mortgagee shall be at liberty to exercise its discretion at any time during the currency of this Mortgage. A forbearance by the Mortgagee to exercise its discretion, either at the commencement of the Term or at any other time thereafter, shall in no way affect or preclude the Mortgagee from requiring the Mortgagor to pay instalments for Real Estate Taxes at any subsequent time;
- (c) in the event that the Real Estate Taxes actually charged for any particular year exceed the estimated amount or in the event of any part of the estimated amount paid to the Mortgagee being applied by the Mortgagee in or towards principal and interest or other monies in default, the Mortgagor will pay to the Mortgagee on demand the amount required to make up the deficiency;
- (d) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after the receipt of same by the Mortgagor;
- (e) so long as no Event of Default has occurred, the Mortgagee shall apply such payments on the Real Estate Taxes chargeable against the Lands, but the Mortgagee shall be under no obligation to apply such payments more often than yearly;
- (f) if before any such sum or sums in the hands of the Mortgagee shall have been so applied there shall be an Event of Default, the Mortgagee may, at its option, apply such sum or sums in or towards payment of principal, interest or other monies so in default;
- (g) if the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Real Estate Taxes, it shall pay to the Mortgagee such additional amounts as in the opinion of the Mortgagee are required for that purpose; provided always, that the Mortgagee may, at

its option, decide to prepay either in whole or in part any Real Estate Taxes; and

- (h) the Mortgagee may at any time pay all Real Estate Taxes in order to perfect the title to the Lands or any part thereof and to make or keep this Mortgage a charge thereon and any amount or amounts paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee forthwith on demand and shall be added to the Principal Sum and will accrue interest at the Interest Rate as if the money were interest in arrears and shall bear interest at the Interest Rate until payment is received by the Mortgagee (such interest to run from the date of payment by the Mortgagee) and shall be added to the Principal Sum and be a charge upon the Lands until repaid with interest as aforesaid; however, nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

### 3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and without cost and expense to the Mortgagee will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.
- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee, the Lands not be in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a period of 20 Business Days and if the Mortgagor has not complied or is not in the

process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor upon demand and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

#### 3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee and the Mortgagor shall not use the Lands or permit them to be used for the purpose of any business, trade or manufacture of any description, without the consent of the Mortgagee.

#### 3.5 Hazardous Substances

The Mortgagor represents, covenants and warrants to and in favour of the Mortgagee that:

- (a) neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands, save and except as disclosed to the Mortgagee in writing;
- (b) it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may be arbitrarily or unreasonably withheld;
- (c) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;

- (d) to the extent that Hazardous Substances are, with the Mortgagee's consent, placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
  - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
  - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor; and
- (e) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located under or on the Lands, the Mortgagor shall:
  - (i) maintain and repair such storage tanks in a manner satisfactory to the Mortgagee, and
  - (ii) at the request of the Mortgagee, assign any warranties or guarantees received from the manufacturer or installer of such storage tanks in favour of the Mortgagee as additional security.

### 3.6 Indemnity

The Mortgagor hereby indemnifies and saves harmless the Mortgagee and its successors and assigns from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever including, without limitation:

- (a) the costs of defending, counter-claiming or claiming over against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;
- (b) any cost, liability or damage arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor; and
- (c) the costs of repair, clean-up or restoration paid by the Mortgagee and any fines levied against the Mortgagor;

which at any time or from time to time may be paid, incurred or asserted against the Mortgagee, as to a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of Hazardous Substances from the Lands either onto any lands (including the Lands), into the atmosphere or into any

water. This indemnification shall survive the satisfaction, release or enforcement of the Mortgage or Collateral Security and the full repayment of the Mortgage Monies.

#### ARTICLE 4

##### 4.1 Mortgagor's Representations and Warranties

The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor has a good title to the Lands;
- (b) the Mortgagor has the right to mortgage the Lands;
- (c) on default, the Mortgagee shall have quiet possession of the Lands, free from all encumbrances (except the Permitted Encumbrances);
- (d) the Mortgagor will execute such further assurances with respect to the Lands as may be required by the Mortgagee; and
- (e) the Mortgagor has done no act to encumber the Lands in priority to this Mortgage (except the Permitted Encumbrances).

#### ARTICLE 5

##### 5.1 Default

Upon the occurrence of an Event of Default:

- (a) the Mortgagee may, at its option, and at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or contained in the Collateral Security;
- (b) the Mortgagee may send or employ an Inspector or Agent to inspect and report upon the value, state and condition of the Lands and a Solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (c) the Mortgagee may enter into possession of the Lands, either by itself or its agent, and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the Lands or any part thereof for such terms, periods, and at such rent as the Mortgagee shall think proper;

- (d) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (e) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (f) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and
- (g) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

#### 5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's right to interest at the Interest Rate set forth herein on any monies which are owing to the Mortgagee and such judgment shall provide that interest thereon shall be computed at the Interest Rate in the same manner as provided for herein until the judgment has been paid in full.

#### 5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, or any Collateral Security, either with or without any consideration therefor, and without being accountable either for the value thereof or for any money except that which is actually received, and without thereby releasing or affecting any other of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

#### 5.4 No Obligation to Advance

Neither execution nor registration nor acceptance of this Mortgage, nor the advance of part of the Mortgage Monies shall bind the Mortgagee to advance the Principal Sum or any unadvanced portion thereof, but nevertheless this Mortgage shall take effect forthwith on its execution and if the Principal Sum or any part thereof shall not be

advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided. In all events, the advance of the Mortgage Monies or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Mortgagee.

#### 5.5 Additional Charges

All monies expended by the Mortgagee (with or without the knowledge, consent, concurrence or acquiescence of the Mortgagor) in relation to:

- (a) solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage;
- (b) examining the Lands and the title thereto;
- (c) making or maintaining this Mortgage as a valid and subsisting charge (subject only to the Permitted Encumbrances) on the Lands;
- (d) principal, insurance premiums, Real Estate Taxes, rates, or any Prior Charge;
- (e) maintaining, repairing, restoring or completing the Lands;
- (f) any actions, inspections, expenses or costs of the Mortgagee (or for which the Mortgagee is responsible) taken, ordered or incurred upon the occurrence of an Event of Default;
- (g) inspecting, leasing, managing, or improving the Lands, including the price or value of any goods of any sort or description supplied to be used on the Lands;
- (h) enforcing, attempting to enforce or in pursuance of any right, power, remedy or purpose under this Mortgage and, in particular, but without limiting the generality of the foregoing, in relation to any court proceedings initiated or defended by the Mortgagee in respect of this Mortgage; and
- (i) legal costs as between a solicitor and his own client (together with an allowance for the time, work and expenses of the Mortgagee, or of any agent, solicitor or servant of the Mortgagee) incurred or paid by the Mortgagee in relation to any of the above matters;



are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing Monthly Instalment payable hereunder, except as herein otherwise provided. It is the express intention and agreement of the Mortgagor and Mortgagee that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.6 Right of Subrogation

If the Mortgage Monies advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, stand in the position of and be entitled to all the equities of the party so paid whether such charge or encumbrance has or has not been discharged. The decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid shall be final and binding on the Mortgagor.

5.7 Monies Received or Collected

The Mortgagee shall not be charged with any monies receivable or collectible out of the Lands or otherwise except those actually received. All revenue of the Lands received or collected by the Mortgagee from any source other than payment by the Mortgagor may, at the option of the Mortgagee, be retained in a suspense account or used in maintaining or insuring or improving the Lands, or in payment of Real Estate Taxes or other charges against the Lands, or applied on the mortgage account, and the Mortgagee shall not be under any liability to pay interest on any sums in a suspense account.

5.8 Discharge

The Mortgagee shall have a reasonable time after receipt of payment in full within which to have prepared and to execute a discharge of this Mortgage and the Collateral Security. A tender of the Mortgage Monies shall not entitle the Mortgagor to immediately receive such discharges.

5.9 Exercise of Discretion

Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised by an executive officer of the Mortgagee, or by any officer or agent appointed by the Mortgagee company for that purpose.

5.10 Default Under Prior Charge

If the Mortgagor makes default in the performance of the covenants, payments or conditions contained in any Prior Charge then such default shall constitute a default hereunder and the Mortgage Monies shall, at the option of the Mortgagee, become forthwith due and payable. The Mortgagee shall be at liberty in the event of such default, but shall not be obligated, to pay any arrears or other sums payable under the Prior Charge, or pay off all or any portion of the principal and/or interest thereby secured. Any amounts so paid by the Mortgagee shall:

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee upon demand, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of the *Law of Property Act (Alberta)*. It is the intention of the parties that the Mortgagee shall have the same rights and powers but not the liabilities as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once a default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the said Prior Charge, but only to the extent hereinbefore stipulated. Nothing herein contained shall create an obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

5.11 Attornment

For better securing the punctual payment of the Mortgage Monies the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Lands at a monthly rental equivalent to the Monthly Instalments secured hereby, the same to be paid on each day appointed for the payment of the Monthly Instalments, and upon the occurrence of an Event of Default such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder

enter upon the Lands, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither shall this clause nor anything done by virtue thereof render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

## ARTICLE 6

### 6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons, whether an officer or officers or employee or employees of the Mortgagee or not, to be a Receiver of the Lands and assets which are charged in favour of the Mortgagee and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A Receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
  - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage and any additional or Collateral Security granted by the Mortgagor to the Mortgagee and for that purpose to take any proceedings, be they legal or otherwise, in the name of the Mortgagor or otherwise;

- (ii) carry on or concur in carrying on the business which the Mortgagor is conducting on and from the Lands;
  - (iii) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
  - (iv) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof;
  - (v) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and the assets charged by the Collateral Security, and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.
- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to s.115 of the Alberta *Land Titles Act* as the Mortgagor's attorney to execute and deliver, under the seal of the Mortgagor, or by the hand and under the seal of the Mortgagee or the Receiver, any and all transfers, deeds, mortgages, discharges, postponements and any and all other documents which the Mortgagee or the Receiver deem it expedient to execute or deliver.
- (g) The Receiver appointed hereunder shall not be obligated to take possession or control of the whole of the business of the Mortgagor. Rather, the

Mortgagee's right to appoint shall be restricted to the Lands and the rents, profits and any business deriving therefrom.

## ARTICLE 7

### 7.1 Assignment of Rents

- (a) The Mortgagor does hereby fully and absolutely assign, transfer and set over to the Mortgagee all of the rents due or to accrue due and to be payable in respect of the Lands and any and every part thereof including but not restricted to any and all Leases of every nature, kind and description, present and future and all benefits and advantages to be derived therefrom and all the rights of the Mortgagor to enforce payment thereof, by way of distress or otherwise.
- (b) This Assignment shall be effective during the currency of the Mortgage.
- (c) Nothing contained herein shall be deemed to have the effect of making the Mortgagee responsible for the collection of the rents, or any part thereof, or for the performance of any covenant, term or condition by the Mortgagor as Landlord or Lessor, as contained in any Leases.
- (d) The Mortgagee shall, at its option, be entitled to enforce and rely upon this Assignment upon the occurrence of an Event of Default.
- (e) The Mortgagee shall not, by reason of this paragraph or by reason of any steps, actions, distress or other proceedings taken to enforce any of the rights granted to it hereunder, be deemed to be or will be a mortgagee in possession of the Lands or any part thereof.
- (f) The Mortgagee shall be liable to account to the Mortgagor for only such monies as may be actually received by the Mortgagee.
- (g) Neither this Assignment or anything contained herein shall bind the Mortgagee to recognize any Leases, nor in any way render the interest of the Mortgagee in the Lands subject to any such Leases. All remedies now or hereafter available to the Mortgagee as described in this Mortgage or in any Collateral Security granted to the Mortgagee by the Mortgagor are hereby reserved to the Mortgagee and may be exercised notwithstanding any Leases or this Assignment.
- (h) The Mortgagor represents to the Mortgagee that no rental in excess of one monthly instalment in advance has been paid under any Lease in respect of

the Lands or any part thereof and that the Mortgagor will not demand or accept in advance any rents reserved or payable under any Leases in excess of one monthly instalment without the prior consent of the Mortgagee.

- (i) When required by the Mortgagee, the Mortgagor will from time to time, assign to the Mortgagee the Mortgagor's interest in each of the Leases and any and every part thereof.

## 7.2 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform any covenants which it may have undertaken or which it may undertake under any subsisting and future Leases;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of the Leases in the exercise of its remedies thereunder following default on the part of any tenant in the performance of its prescribed obligations) which may cause the material modification or the termination of any Leases, or which may diminish or impair the value of any Leases, or the rents provided for therein;
- (c) to permit no assignment or subleasing of any Leases unless the right to sublet or assign under the Leases is expressly reserved by the tenant;
- (d) it will not execute a mortgage or create or permit a lien which may be or become superior to any subsisting or future Leases; and
- (e) in the ownership, operation and management of the Lands, to observe and comply with all applicable Federal, Provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

## ARTICLE 8

### 8.1 Construction

In the event that the Principal Sum is to be advanced hereunder from time to time upon the progress of construction of a building or buildings being or to be erected upon the Lands, then, and in such event:

- (a) it is the intention of the parties hereto that the building or buildings being erected or to be erected on the Lands form part of the security for the full amount of the Mortgage Monies;
- (b) all advances on this Mortgage shall be made from time to time in the future in accordance with the progress of construction of such building or buildings and shall be made in such manner, at such times, and in such amounts up to the Principal Sum to be advanced hereunder as the Mortgagee in its sole discretion may determine, subject always to the provisions hereinbefore set out whereby the Mortgagee is not bound to advance any unadvanced portion thereof;
- (c) the Mortgagor covenants and agrees with the Mortgagee:
  - (i) to construct and erect a building or buildings or other improvements on the Lands all in accordance with plans and specifications which have been or are hereafter approved by the Mortgagee, and
  - (ii) to carry on diligently to completion the construction and erection of the same;
- (d) the Mortgagee shall be at liberty, but shall not be obliged, to retain such sums as it may deem necessary as builders' lien holdbacks in the amount prescribed by the *Builders' Lien Act* of Alberta or other applicable legislation, which sums shall be held for such length of time, both during and after completion of the said building or buildings, as the Mortgagee may see fit;
- (e) the Mortgagee may pay any builders' liens which may exist or be claimed, and it shall not be liable or responsible to determine the validity or correctness of any such claim;
- (f) in the event that the Mortgagee should pay any such liens to an amount greater than the Principal Sum, such excess amounts so paid shall be added to the Principal Sum, shall bear interest at the Interest Rate and shall be repaid by the Mortgagor to the Mortgagee forthwith;
- (g) if the Mortgagor should fail in the erection and completion of the said building or buildings or should neglect to carry on the work of erecting and completing same with reasonable diligence:
  - (i) the Mortgagee may, but shall not be obliged, without notice to the Mortgagor, enter upon the Lands and take possession thereof with power to carry on the erection and completion of the said building or

- buildings and with discretion to alter the plans and specifications if it deems necessary in order to complete the same,
- (ii) if the Mortgagee should be unable properly to complete the same with the Principal Sum, the Mortgagee may in its sole discretion advance or lay out such further monies as may be so required and such further monies to be advanced or laid out by the Mortgagee shall be added to the Principal Sum and:
    - A. be repaid by the Mortgagor to the Mortgagee forthwith on demand,
    - B. accrue interest at the Interest Rate as if the money were interest in arrears until payment is received by the Mortgagee (such interest to run from the date of payment by the Mortgagee),
    - C. be a charge upon the Lands until repaid with interest as aforesaid; and
  - (h) if the Mortgagor should default in the erection and completion of the said building or buildings or in the event any lien is registered against the Lands, the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable.

## ARTICLE 9

### 9.1 Expropriation and Condemnation

- (a) If the Lands or any part thereof are condemned under any power of eminent domain or are acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Mortgage Monies and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands are taken in the expropriation without resulting damage to the buildings and improvements or any part thereof, or if a portion of the Lands is taken in such expropriation proceedings with resulting damage to the buildings and improvements and the amount of the award made therein is based on a determination that the portion of the buildings and improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated, then the provisions of this Mortgage relating to



insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

- (b) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act (Alberta)*, and any amendments thereto (dealing with the situation where, in the event of an expropriation of lands subject to a security interest, the amount owing to the security holder is greater than the market value of the interest in the expropriated land) and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. In addition, the Mortgagor covenants to pay any difference between the Mortgage Monies and the monies paid by the expropriating authority to the Mortgagee together with interest thereon at the Interest Rate both before and after maturity, default and the obtaining of any judgment by the Mortgagee.
- (c) Notwithstanding the foregoing subparagraphs (a) and (b) the Mortgagee shall be at liberty, at its sole option, to declare the whole of the Mortgage Monies as being immediately due and payable in the event that any portion of the Lands shall be the subject matter of an expropriation proceeding.
- (d) Any monies awarded by an order of either the Land Compensation Board or the Surface Rights Board with respect to all or any part of the Lands to the extent of the full amount of the Mortgage Monies are herewith assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns.

## ARTICLE 10

### 10.1 Condominium

If the Lands or any portion thereof is now subject to or becomes subject to a condominium plan duly created pursuant to the provisions of the *Condominium Property Act*, then:

- (a) The Mortgagor hereby fully and absolutely assigns, transfers and sets over unto the Mortgagee, any and all of the Mortgagor's voting rights now existing or which may come into existence with respect to the Lands, and with respect to the Condominium Corporation whether such voting rights arise under the *Condominium Property Act*, under the Bylaws of the Condominium Corporation, under any agreement with the Condominium Corporation, or otherwise. The Mortgagor covenants and agrees to execute any materials or documentation which in the sole opinion of the Mortgagee

is necessary or advisable to give full effect to such assignment, transfer and setting over of the voting rights. Provided, however, that in the event that the Mortgagee is not present in person or by proxy, or if present, does not wish to vote, then the Mortgagor may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the Mortgagee may, by notice in writing to the Mortgagor, revoke and terminate all voting rights and privileges of the Mortgagor.

- (b) It is further stipulated, provided and agreed that notwithstanding anything to the contrary herein contained:
  - (i) the Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall observe and perform each and every one of the covenants and provisions required to be performed under or pursuant to the terms of this Mortgage, the *Condominium Property Act* the bylaws of the Condominium Corporation and any amendments thereto, and under any agreement between the Mortgagor and the Condominium Corporation, and
  - (ii) without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all assessments, instalments or payments owing to the Condominium Corporation in relation to the Lands.
- (c) The Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision contained in this Section, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor:
  - (i) firstly, may, but shall not be obliged to, pay such contribution to the common expenses, assessment, instalment or payment owing to the Condominium Corporation or rectify any such default or breach by the Mortgagor and all monies so paid and expended by the Mortgagee shall be secured hereby and shall be a charge on the Lands together with interest thereon at the Interest Rate and all such monies shall be repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing Monthly Instalment; and

- (ii) secondly, may deem such default to be a default under the terms of this Mortgage and proceed to exercise its rights hereunder.

## ARTICLE 11

### 11.1 Interpretation

Wherever the singular number or masculine gender is used in this instrument the same shall be construed as including the plural and feminine and neuter respectively where the fact or context so requires. In any case, where this Mortgage is executed by more than one party, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several. The respective heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, agreements, stipulations and provisos herein contained. The covenants, agreements, stipulations and provisos herein stated shall be in addition to those granted or implied by statute.

### 11.2 Permitted Encumbrances

The parties acknowledge that this Mortgage is to be registered subject only to the Permitted Encumbrances.

### 11.3 Renewal or Extension

In the event that the Mortgagee shall agree to renew or extend the term of this Mortgage, such renewal or extension agreement need not be registered against the title to the Lands, but the agreement shall be binding upon the Mortgagor, its assignees, and all subsequent mortgagees, encumbrancers or other parties claiming an interest in the Lands. Such agreement shall take priority as against such assignees and subsequent mortgagees, encumbrancers and other parties. It is expressly acknowledged that such agreement may increase the rate of interest chargeable hereunder.

### 11.4 Commitment Letter Not Merged

The provisions of the Commitment Letter, all as accepted by the Mortgagor, are not superseded by or merged in the execution or registration of the Mortgage or any additional and Collateral Security and the provisions of the Commitment Letter shall remain in full force and effect until all of the conditions thereof to be observed and performed by the Mortgagor have been fully paid and satisfied, provided however that in the event of a conflict between the terms of the Commitment Letter and the terms of this Mortgage or the Collateral Security, the terms of the Commitment Letter shall prevail.

11.5 Administration Fee

In the event of the occurrence of an Event of Default, then the Mortgagee shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements an administration and management fee for each month or part thereof for which the Mortgagor remains in default. This administration and management fee is intended to reimburse the Mortgagee for time and trouble in the management and administration of this Mortgage and of the Lands. The said sum or sums are agreed to be a liquidated amount to cover the Mortgagee's administration and management costs and are not intended nor shall be construed to be a penalty. All such sums payable to the Mortgagee shall be a charge upon the Lands and shall bear interest at the Interest Rate until paid.

11.6 Pre-Authorized Cheque Withdrawal

The Mortgagor shall continue throughout the currency of this Mortgage to provide to the Mortgagee, at the Mortgagee's request, documentation so as to effect a pre-authorized cheque withdrawal for the purposes of paying the Monthly Instalments.

11.7 Financial Records

The Mortgagor shall:

- (a) maintain proper records and books of account with respect to the revenues and expenditures in relation to the Lands;
- (b) permit the Mortgagee or any person appointed by the Mortgagee for that purpose to examine such records and books at all reasonable times, to make copies or extracts therefrom;
- (c) give to the Mortgagee all information with regard to the revenues and expenditures in relation to the Lands which the Mortgagee may reasonably require;
- (d) furnish to the Mortgagee annually within 90 days of the end of each of the fiscal years of the Lands, a balance sheet and a statement of operations for the preceding year for the Lands, a detailed statement of income and expenditures and a statement of earned surplus, in each case with supporting schedules and an explanation of any items of an unusual nature, together with such additional information as the Mortgagee may from time to time require;
- (e) furnish the Mortgagee with copies of every audited financial statement or statements as may be prepared from time to time respecting the Lands; and

- (f) furnish the Mortgagee with an annual statement of income and expenditures with supporting schedules and an explanation of any items of an unusual nature respecting the Lands, certified by an officer of the Mortgagor.

The Mortgagee shall at any time and from time to time at its own expense, be at liberty to have an audit made of the books and accounts of the Mortgagor, related to the Mortgagor's operations with respect to the Lands, and for such purposes the Mortgagor shall make available to the Mortgagee and its accountants all books of account and records and all vouchers, books, papers and documents which may relate to the Lands.

#### 11.8 Collateral Security

As additional and collateral security for the repayment of the monies hereby secured and the performance of the covenants contained herein, the Mortgagor shall execute and deliver the Collateral Security to the Mortgagee. None of the rights or remedies of the Mortgagee under this Mortgage or under the Collateral Security shall be merged in, waived, delayed, impaired, prejudiced or suspended by the Collateral Security or any act of the Mortgagee pursuant thereto.

#### 11.9 Default Under Collateral Security

- (a) If the Mortgagor or any guarantor makes default under the Collateral Security, the same shall constitute an Event of Default under this Mortgage.
- (b) It is understood and agreed that the occurrence of an Event of Default shall constitute a default under the Collateral Security.

#### 11.10 Notices

- (a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this Mortgage or by the *Rules of Court (Alberta)*, *The Judicature Act (Alberta)*, and any amendments thereto, *The Law of Property Act (Alberta)*, and any amendments thereto, as a result of a default by the Mortgagor, including but not restricted to any Statement of Claim issued by the Mortgagee or a Mortgagee's Notice of Motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.
- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

11.11 Receipt Acknowledged

The Mortgagor acknowledges receipt of a true copy of this Mortgage.

11.12 Charge

For better securing to the Mortgagee repayment of the Principal Sum, interest and the Mortgage Monies, the Mortgagor hereby mortgages to the Mortgagee all of its right, title, estate and interest in the Lands.

11.13 Property Manager

The Lands must at all times be professionally managed failing which, the Mortgagee reserves the right at its sole discretion, to appoint from time to time a new property manager at the sole expense of the Mortgagor.

11.14 Prepayment

The Mortgagor shall not have the privilege of prepaying, either in whole or in part, the Principal Sum hereby secured prior to the Maturity Date.

11.15 Due on Sale

In the event that the Mortgagor shall sell, convey, transfer or assign (or purport to do so) the Lands to a purchaser, transferee or assignee without first obtaining the Mortgagee's consent in writing, then, at the Mortgagee's option, such sale, conveyance, transfer or assignment shall constitute an Event of Default. Such consent may not be unreasonably or arbitrarily withheld. Provided however, the Mortgagee may require, as one of the conditions of giving consent hereunder, that any such purchaser, transferee or assignee execute an assumption agreement in favour of the Mortgagee, to be prepared in a form satisfactory to the Mortgagee at the Mortgagor's expense. In addition the Mortgagee may require that such purchaser, transferee or assignee pay an assumption fee to the Mortgagee to compensate the Mortgagee for its time and effort hereunder.

In the event that the Mortgagor or any other party who becomes liable to perform and observe the covenants herein should be a corporation, then any direct or indirect transaction or dealing whatsoever which affects the share structure or share ownership of such corporation and which results in a change in control, either legal or beneficial, of that corporation shall constitute an event as hereinbefore described such that the Mortgagee's prior written consent as aforesaid is to be obtained, failing which, such transaction shall, at the Mortgagee's option, constitute an Event of Default.

11.16 Assumption and Amendment

The Mortgagor, together with any other party who becomes liable hereunder shall continue to be liable under this Mortgage until all of the Mortgage Monies have been paid in full notwithstanding:

- (a) the assumption of the Mortgage by any party, with or without the consent of the Mortgagee or the Mortgagor; and
- (b) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or the Monthly Instalments, or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.

11.17 Unenforceable Terms

If any term, covenant or condition of this Mortgage or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Mortgage or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Mortgage shall be valid and shall be enforceable to the fullest extent permitted by law.

11.18 Subsequent Encumbrances

The Mortgagor shall not grant any subsequent financial encumbrance charging the Mortgaged Premises without the prior written consent of the Mortgagee, such consent may be arbitrarily withheld, delayed and/or conditioned by the Mortgagee.

11.19 Limitation of Actions

Should the Mortgagor default in the performance of any of the terms and conditions contained in this Mortgage, the limitation period will run as follows:

- (a) the limitation period shall commence on the date upon which a written notice of default has been served by the Mortgagee upon the Mortgagor in accordance with the notice provisions contained herein; and
- (b) pursuant to section 7 of the *Limitations Act (Alberta)*, as amended from time to time, the limitation period governing this Mortgage shall be ten (10) years to commence on the date specified in (a) above.

11.20 Governing Law

This Mortgage shall be governed by the laws of the Province of Alberta and the Courts of the Province of Alberta shall have exclusive jurisdiction over any dispute or action arising herefrom.

11.21 Negative Covenant

Until such time as the Mortgage Monies are repaid in full to the Mortgagee, the Mortgagor shall not:

- (a) repay any shareholder loans;
- (b) redeem any of its shares;
- (c) pay out dividends; or
- (d) compensate any non arms-length parties;

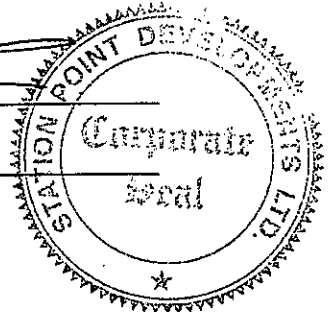
except as set forth in the Commitment Letter.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on  
October 2 2015.  
*December*

STATION POINT DEVELOPMENTS  
LTD.

Per: \_\_\_\_\_

Per: \_\_\_\_\_





SCHEDULE "A" *December*

to that certain Mortgage made on October 2, 2015,  
between STATION POINT DEVELOPMENTS LTD. (as  
Mortgagor) and KINGSETT MORTGAGE CORPORATION  
(as Mortgagee).

---

Mortgaged Lands

PLAN 0924862  
BLOCK 3  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS

Permitted Encumbrances

- (a) Caveat #092 144 132;
- (b) Utility Right of Way #092 144 137;
- (c) Caveat #132 240 124;
- (d) Caveat #142 427 194.

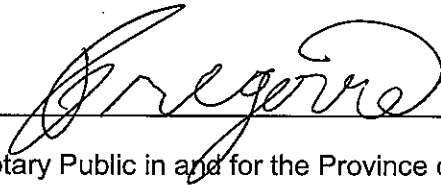
**SCHEDULE "B"** *December*  
to that certain Mortgage made on October 2, 2015, between  
STATION POINT DEVELOPMENTS LTD. (as Mortgagor) and  
KINGSETT MORTGAGE CORPORATION (as Mortgagee).

---

Collateral Security

- (a) General Assignment of Rents and Leases;
- (b) Security Agreement;
- (c) Assignment of Purchase Agreements;
- (d) Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit;
- (e) Assignment and Pledge of Deposit Account;
- (f) Assignment and Pledge of Interest Reserve Account;
- (g) Deficiency and Completion Guarantee;
- (h) Share Hypothecation Agreement.

This is Exhibit "E" referred to in the Affidavit of  
Daniel Pollack  
sworn before me this 10 day of June, 2019.

A handwritten signature in cursive script, appearing to read "Grégoire", is written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**AMENDING AGREEMENT**

BETWEEN:

KINGSETT MORTGAGE CORPORATION

- and -

STATION POINT DEVELOPMENTS LTD.

- and -

BENAIMINO RAIMONDI, JOLEIKA RAIMONDI,  
BCM DEVELOPMENTS LTD. and FORTIS L.G.S. STRUCTURES INC.

**WHEREAS:**

- A. The Mortgagor is the registered owner of the Lands;
- B. The Mortgagee is, or is entitled to become, the registered holder of the Mortgage;
- C. The Mortgagor, the Guarantors and the Mortgagee have agreed to amend the terms of the Mortgage as set forth herein.
- D. The Mortgagor, the Guarantors and the Mortgagee wish to reduce to writing their agreement with respect to amending the terms of the Mortgage.

NOW THEREFORE IN CONSIDERATION OF the mutual covenants and agreements set forth herein, the parties covenant and agree as follows:

1. In this Agreement unless there is something in the context or subject matter inconsistent therewith:

- (a) "Agreement" means this agreement and shall include the preamble and the Schedules attached hereto;
- (b) "Collateral Security" means the security granted in favour of the Mortgagee as Collateral Security for the Mortgage and includes the following:
  - (i) a Security Agreement registered in the Personal Property Registry for the Province of Alberta as Registration No. 15101531363, and
  - (ii) a General Assignment of Rents and Leases registered against Title to the Lands by way of Caveat Instrument No. 162 007 724;
  - (iii) an Assignment of Purchase Agreements;
  - (iv) an Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit;
  - (v) an Assignment and Pledge of Deposit Account;
  - (vi) an Assignment and Pledge of Interest Reserve Account
- (c) "Guarantor" means collectively Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.;

(d) "Lands" means those lands legally described as:

PLAN 0924862  
BLOCK 3  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(e) "Mortgage" means the memorandum of mortgage in favour of the Mortgagee dated December 2, 2015 and registered in the Alberta Land Registration District on January 12, 2016 as Instrument No. 162 007 724, whereby the Mortgagor mortgaged all of its right, title and interest in the Lands in favour of the Mortgagee to secure repayment of the principal sum of \$26,260,000.00 in accordance with the terms and conditions thereof, which mortgage will be transferred concurrently herewith to the Mortgagee;

(f) "Mortgagee" means KingSett Mortgage Corporation; and

(g) "Mortgagor" means Station Point Developments Ltd.

2. The Mortgage shall be amended, as follows:

(a) "Commitment Letter" is amended from "March 23, 2015 and accepted by the Mortgagor on May 12, 2015" to "May 25, 2016 and accepted by the Mortgagor";

(b) "Maturity Date" is amended from "December 1, 2017" to "July 1, 2018";

(c) "Principal Sum" is amended from "\$26,250,000.00" to "\$21,250,000.00".

3. All amendments made to the Mortgage hereunder shall be made, where applicable, to the Collateral Security.

4. Save and except as amended herein, the Mortgage and the Collateral Security shall continue in full force and effect. This Agreement shall not alter or prejudice the rights and priorities of the Mortgagee as against the Mortgagor, or any surety or any subsequent encumbrance or any other person interested in the Lands or liable for the repayment of the loan or any part thereof. For certainty, neither this Agreement nor anything contained herein shall constitute a novation of the Mortgage or of the Collateral Security.

5. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the Courts of the Province of Alberta shall have exclusive jurisdiction over any dispute arising herefrom.

6. Any word herein contained importing the singular number shall include the plural and vice versa and any word importing gender shall include the masculine, feminine or neuter gender and any word importing a person shall include a corporation, individual, partnership and any other entity, all as the context requires.

7. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable or otherwise invalid, the same shall be severed but all other provisions shall nevertheless remain effective.

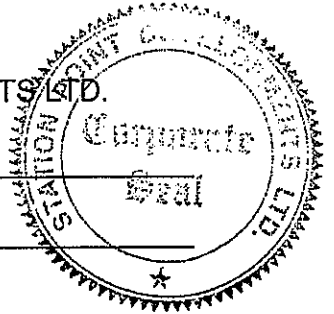
8. This Agreement and everything contained herein shall enure to the benefit of and be binding upon the parties hereto, their successors and permitted assigns.

IN WITNESS WHEREOF, the Mortgagor has properly executed this Agreement to be effective the 14 day of June, 2016.

STATION POINT DEVELOPMENTS LTD.

Per: \_\_\_\_\_

Per: \_\_\_\_\_



THE UNDERSIGNED Guarantors of the loan hereby agree to the terms of this Agreement and acknowledge that their respective guarantees remain valid and enforceable, this 14 day of June, 2016

WITNESS

\_\_\_\_\_

BENIAMINO RAIMONDI

\_\_\_\_\_

WITNESS

\_\_\_\_\_

ZOLEIKA RAIMONDI

\_\_\_\_\_

BCM DEVELOPMENTS LTD.

Per: \_\_\_\_\_

Per: \_\_\_\_\_

\_\_\_\_\_

FORTIS L.G.S. STRUCTURES INC.

Per: \_\_\_\_\_

Per: \_\_\_\_\_

\_\_\_\_\_



**AFFIDAVIT OF EXECUTION**

WILLIAM G. PATRICK  
BARRISTER & SOLICITOR  
#300, 10310 Jasper Avenue  
Edmonton, AB T5J 2W4

I, \_\_\_\_\_ of the City of  
PH: (780) 426-4884 FX: (780) 426-9358  
email: bpatrick@patrickpatrick.com

CANADA )  
 )  
PROVINCE OF ALBERTA )  
 )  
TO WIT )

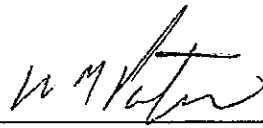
Edmonton, in the Province of Alberta,  
  
MAKE OATH AND SAY:

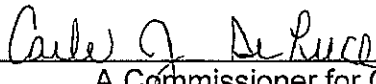
1. I was personally present and did see BENIAMINO RAIMONDI, named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.

3. That I know the said BENIAMINO RAIMONDI and he is, in my belief, of the full age of eighteen years.

SWORN before me at the City of )  
Edmonton, in the Province of )  
Alberta this 14 day of June )  
2016. )

  
\_\_\_\_\_

  
\_\_\_\_\_ A Commissioner for Oaths  
in and for Alberta

CARLA J. DELUCA  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Dec. 6, 2016

**AFFIDAVIT OF EXECUTION**

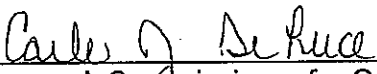
CANADA )  
 )  
PROVINCE OF ALBERTA )  
 )  
TO WIT )

WILLIAM G. PATRICK  
BARRISTER & SOLICITOR  
#300. 10310 Jasper Avenue  
Edmonton AB T5J 2V4  
PH: (780) 426-4884 FX: (780) 425-9358  
email: bpatrick@patrickpatience.com  
I, William G. Patrick of the City of  
Edmonton, in the Province of Alberta,  
MAKE OATH AND SAY:

- 1. I was personally present and did see ZOLEIKA RAIMONDI, named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.
- 2. That the same was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
- 3. That I know the said ZOLEIKA RAIMONDI and she is, in my belief, of the full age of eighteen years.

SWORN before me at the City of )  
Edmonton, in the Province of, )  
Alberta this 14 day of June )  
2016. )

  
\_\_\_\_\_

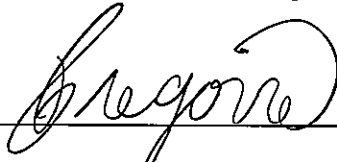
  
\_\_\_\_\_ A Commissioner for Oaths  
in and for Alberta

CARLA J. DELUCA  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires Dec. 6, 2016

This is Exhibit "F" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.



---

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**SECURITY AGREEMENT**

STATION POINT DEVELOPMENTS LTD.  
10000 100th Street  
Edmonton, Alberta T5A 1C1

**STATION POINT DEVELOPMENTS LTD.**

TO

**KINGSETT MORTGAGE CORPORATION**

## SECURITY AGREEMENT

### WHEREAS:

- A. The Lender has agreed to lend the Debtor the principal sum of \$21,000,000.00 which sum is to be repaid together with interest in accordance with the terms and conditions contained in the Land Mortgage.
- B. The Lender has required that the Debtor execute and deliver this Security Agreement as additional security for the repayment of the Indebtedness.

NOW THEREFORE IN CONSIDERATION of the Lender making advances to the Debtor and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Debtor agrees as follows:

### ARTICLE 1 DEFINITIONS

1.1 In this Security Agreement and any other agreement, notice or other document delivered by one party to another pursuant to the terms hereof, the following terms shall have the following meanings unless the context shall otherwise require:

- (a) "Collateral" means the property described in Schedule "B" attached hereto, together with:
- (i) all property of the same nature which may hereafter be purchased or acquired by the Debtor or be in the possession of the Debtor, whether in addition to, renewal of or substitution therefor;

- (ii) all accessions, alterations, increases, parts, fittings, accessories, equipment and tools installed in or affixed thereto whether in addition to, in renewal of or substitution therefor; and
- (iii) the Proceeds of any of the property described in this subsection (a) including Proceeds of those Proceeds;
- (b) "Debtor" means Station Point Developments Ltd. and includes its successors and permitted assigns;
- (c) "Event of Default" means an Event of Default as defined in the Land Mortgage;
- (d) "Indebtedness" means the principal sum, interest and other costs set out in the Land Mortgage and all other costs, fees, charges or expenses that may become owing to the Lender by the Debtor pursuant to the terms hereof;
- (e) "Land Mortgage" means that certain land mortgage executed by the Debtor in favour of the Lender, particulars of which are set out in Schedule "A" attached hereto;
- (f) "Lender" means KingSett Mortgage Corporation;
- (g) "Mortgaged Lands" means the lands which are the subject of the Land Mortgage and which are described in Schedule "A" attached hereto;
- (h) "Security Agreement" means this Security Agreement and any renewals, substitutions or replacements thereof. The expressions "herein", "hereof", "hereto", "above", "below" and similar expressions used in any paragraph, subparagraph, section, subsection or Article of this Security Agreement refer and relate to the whole of this Security Agreement and not to that paragraph, subparagraph, section, subsection or Article only unless otherwise expressly provided.

1.2 All other capitalized terms utilized herein shall have the meaning set out in the *Personal Property Security Act*, in force in Alberta as of the date hereof.

## **ARTICLE 2 SECURITY INTEREST**

2.1 As continuing security for the repayment of the Indebtedness the Debtor hereby mortgages and grants a first Security Interest in the Collateral to and in favour of the Lender.

2.2 The Debtor agrees that:

- (a) the Security Interest hereby granted in the Collateral shall attach upon the execution of this Security Agreement;
- (b) the Security Interest hereby granted in after-acquired property shall attach at the same time as the Debtor acquires rights in the after-acquired property;
- (c) value has been given to the Debtor by the Lender;
- (d) the Security Interest hereby granted constitutes a Purchase Money Security Interest.

## **ARTICLE 3 INSURANCE**

3.1 Until the Indebtedness is paid in full to the Lender, the Debtor will:

- (a) forthwith insure and keep the Collateral insured against such risks as the Lender may require for the full insurable value thereof, with a company or companies approved by the Lender;
- (b) pay all premiums and sums of money necessary to maintain such insurance as the same become due and deliver the receipt or receipts as proof of such

payment on demand. Evidence of renewal of such insurance shall be delivered to the Lender at least 30 Business Days prior to the expiration thereof;

- (c) forthwith assign, transfer and deliver over to the Lender, on demand, the policies of insurance and receipts thereto appertaining, which policies will name the Lender as first loss payee thereunder subject to a mortgage clause approved by the Lender;
- (d) forthwith on the happening of any loss or damage furnish at its own expense all necessary proofs and do all necessary acts to enable the Lender to obtain payment of the insurance monies. Any insurance money received may, at the option of the Lender, either be held in a suspense account or be applied toward the replacement or repair of the Collateral, or be paid to the Debtor or be applied in respect of the Indebtedness or partly in one of such ways and partly in another, all in the sole discretion of the Lender.

If the Debtor defaults in the covenants set out herein then in addition to its other rights and remedies, the Lender may, but shall not be required to, effect such insurance at the cost of the Debtor.

#### **ARTICLE 4 DEBTOR'S COVENANTS**

- 4.1 (a) The Debtor will pay to the Lender the full amount of the Indebtedness at the times and in the manner set out in the Land Mortgage.
- (b) The Debtor will not sell, assign, transfer, dispose of, grant a security interest in or part with the possession of any of the Collateral nor remove any of the same from the Mortgaged Lands except in the ordinary course of business without the written consent of the Lender, which consent may be arbitrarily



withheld, and will keep the Collateral free and clear of all liens, mortgages, charges, encumbrances and Security Interests.

- (c) The Debtor will maintain and keep the Collateral in good repair and will not allow the value of the Collateral to be impaired and it will allow the Lender or such other person as may be designated by the Lender from time to time to enter upon any premises where the Collateral may be kept to inspect and view their condition and repair. If the Debtor defaults in the covenants set out herein, the Lender may without the consent or concurrence of the Debtor repair and put in good order the Collateral but shall not be bound to do so.
- (d) The Debtor will execute, issue and deliver such supplemental or Collateral security agreements as may be required by the Lender in its sole discretion and, without restricting the generality of the foregoing, for any one or more of the following purposes:
  - (i) making any corrections or changes as counsel for the Lender advises are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omissions or mistakes or manifest errors contained herein or in any instrument or agreement supplementary or ancillary hereto; or
  - (ii) correcting or amplifying the description of any of the Collateral intended to be subject to the Security Interest hereby created.
- (e) The Debtor will give immediate written notice to the Lender of:
  - (i) any material loss of or damage to the Collateral;
  - (ii) any change in the location of the Collateral or the name of the Debtor;and

- (iii) the details of any Collateral disposed of or hereafter acquired by the Debtor.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

- 5.1 The Debtor represents and warrants to and in favour of the Lender that:
- (a) the Debtor is and shall be during the existence of this Security Agreement a corporation duly organized, validly existing and in good standing under the laws of the Province of Alberta;
  - (b) the Debtor is the sole legal and beneficial owner of the Collateral free and clear of all liens, charges, claims, encumbrances and security interests and has the right to possess the Collateral (subject to the rights of tenants of the Mortgaged Lands);
  - (c) the Debtor has all such powers and authorizations as are necessary to enable it to own the Collateral and to execute, deliver and carry out its obligations under this Security Agreement; and
  - (d) this Security Agreement has been duly executed and delivered by it and is in full force and effect and constitutes a legal, valid and binding obligation of the Debtor in accordance with the terms hereof.

## **ARTICLE 6 EVENTS OF DEFAULT**

- 6.1 At the option of the Lender, the whole of the Indebtedness shall be accelerated and become immediately due and payable and the Security Interest hereby created shall become enforceable upon the occurrence of an Event of Default.

6.2 A default by the Debtor hereunder shall constitute a default under the Land Mortgage and any other instruments or agreements, if any, securing or evidencing the Indebtedness of the Debtor to the Lender.

#### ARTICLE 7 REMEDIES

7.1 Upon the occurrence of an Event of Default, the Lender shall immediately be at liberty to take any and all proceedings to enforce this Security Agreement and to obtain payment of the Indebtedness, and without limiting the generality of the foregoing:

- (a) the Lender may take immediate possession of the Collateral, and for this purpose it shall be lawful for the Lender and any Receiver, officer, servant, agent or bailiff of the Lender, with such other assistance as it may require, at any time during the day to enter in or upon the Mortgaged Lands and any lands, buildings or premises where any of the Collateral may be and to break and force open any door, lock, hinge, fastening, gate, fence, building, enclosure or place, for the purpose of taking possession of and removing any or all of the Collateral;
- (b) upon taking possession of the Collateral, the Lender is hereby authorized and empowered to use the Collateral or to dispose of the Collateral by any method permitted by law, including without limitation, at public auction or by private sale, by lease or deferred payment, with or without notice to the Debtor and upon such terms and in such manner as the Lender may determine;
- (c) the proceeds of any such sale, less all expenses incurred by the Lender in taking, repairing, preserving or disposing of the Collateral (including solicitor's fees as between a solicitor and his own client on a full indemnity basis), shall be appropriated to the payment of the Indebtedness, and any

surplus remaining shall be disposed of according to law and the Debtor shall be liable for any deficiency; and

- (d) the Lender shall not be charged with any monies except those actually received.

The Lender shall have the right to exercise its remedies hereunder or under any other security or agreement or any of them concurrently or successively as it may determine and the exercise by the Lender of one or more of such remedies shall not constitute an election of remedies.

7.2 Upon the occurrence of an Event of Default, in addition to any of the remedies available to the Lender, the Lender may appoint any person or persons to be a Receiver or Receivers of the Collateral, and may remove any Receiver or Receivers so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) a Receiver so appointed shall conclusively be the agent of the Debtor, and the Debtor shall be solely responsible for the acts or default and for the remuneration and expenses of the Receiver. The Lender shall not be responsible for any misconduct or negligence on the part of the Receiver, and may, from time to time, fix the remuneration of the Receiver and be at liberty to direct the payment thereof from proceeds collected;
- (b) nothing contained herein and nothing done by the Lender or by the Receiver shall render the Lender a mortgagee in possession or responsible as such;
- (c) all monies received by the Receiver after providing for payment and charges ranking prior to this Security Agreement, and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver or the Lender, as herein set forth, shall be held and applied in accordance with the terms of the Land Mortgage;

- (d) the Receiver so appointed shall have power to:
  - (i) take possession of, collect and get in the Collateral and for that purpose to take any proceedings, be they legal or otherwise, in the name of the Debtor or otherwise;
  - (ii) to carry on or concur in carrying on the business which the Debtor is conducting from the Mortgaged Lands or upon any premises on which the Collateral are situate;
  - (iii) sell, lease or otherwise dispose of all or any portion of the Collateral, and for that purpose to execute contracts in the name of the Debtor, which said contracts shall be binding upon the Debtor; and
  - (iv) exercise any of the rights or powers conferred upon the Lender hereunder or under the Land Mortgage;
- (e) the rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights or powers which the Lender may have from time to time;
- (f) the Debtor hereby irrevocably appoints the Lender and any Receiver appointed as aforesaid to be its attorney in its name, on its behalf, and under the seal of the Lender or the Debtor, to execute any agreement, document, conveyance, assurance or thing which the Receiver in its sole discretion deems advisable and generally to use the name and seal of the Debtor in the exercise of any of the powers hereby conferred on the Lender or the Receiver;
- (g) the Receiver may be the Lender, or any officer or employee of the Lender or any other person or persons selected by the Lender; and

- (h) the Receiver appointed hereunder shall not be obliged to take possession or control of the whole of the business of the Debtor. Rather, the Lender's right to appoint hereunder shall be restricted to the Collateral.

7.3 In the exercise of any of its rights pursuant to this Security Agreement, neither the Lender nor any party acting on behalf of the Lender shall be obliged to:

- (a) keep the Collateral identifiable; or
- (b) incur any costs or expenses in maintaining, preserving or improving the Collateral.

7.4 The Lender shall have the right, but not the obligation, to pay the whole or any part of any lien, mortgage, charge, encumbrance or Security Interest affecting the Collateral and shall be subrogated to all of the rights of the party receiving the payment, whether such lien, mortgage, charge or encumbrance or Security Interest has or has not been discharged.

#### **ARTICLE 8 GENERAL**

8.1 The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security or agreement now or hereafter granted by the Debtor to the Lender shall not operate as a merger of such covenant or affect the Lender's right to interest at the rate stipulated in the Land Mortgage on any monies which are owing to the Lender. Interest shall continue to accrue on the Indebtedness at the rate set forth in the Land Mortgage until paid in full.

8.2 The Lender may at any time release any of the Mortgaged Lands, the Collateral or any collateral security with or without any consideration but without being accountable for the value thereof and without thereby releasing or affecting any other of the Collateral or any of the covenants or agreements herein contained.

8.3 All fees and expenses incurred by the Lender for preparing and registering this Security Agreement, for examining the Collateral and the title thereto, for making and maintaining a first mortgage and Security Interest on the Collateral, and for enforcing this Security Agreement, including legal costs as between a solicitor and his own client on a full indemnity basis, together with all sums which the Lender may and does from time to time advance, expend or incur hereunder or in exercise of any rights or powers herein granted, shall be secured hereby, and the amount of the same when paid by the Lender shall bear interest at the rate and in the manner set out in the Land Mortgage and shall be repayable on demand.

8.4 The decision of the Lender as to the expediency, validity or amount of any advance or disbursement made under this Security Agreement shall be final and binding on the Debtor.

8.5 The headings in this Security Agreement have been inserted for reference and convenience only and in no way define, limit or enlarge the scope or meaning of this Security Agreement.

8.6 The Preamble and Schedules attached hereto shall be and form part hereof. The Schedules are:

- (a) Schedule "A" - Particulars of the Land Mortgage;
- (b) Schedule "B" - the Collateral.

8.7 Whenever the singular or the masculine or neuter is used herein, the same shall be construed as the plural or as the masculine, feminine or neuter respectively, where the fact or context so requires. If this Security Agreement is executed by more than one Debtor, all covenants and agreements herein contained shall be construed and taken as against such executing parties as joint and several.

8.8 Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if given in accordance with the terms of the Land Mortgage.

8.9 Time shall in every respect be of the essence hereof.

8.10 This Security Agreement and all documents and agreements collateral or related hereto shall be construed in accordance with the laws of the Province of Alberta, and the parties hereby submit to the jurisdiction of the Courts of the Province of Alberta.

8.11 The provisions of this Security Agreement shall not merge with any other security granted by the Debtor to the Lender or any other agreement entered into by the Debtor with the Lender.

8.12 No waiver, express or implied, by the Lender of any breach or default by the Debtor hereunder shall be deemed to be a waiver of any other breach or default. Failure on the part of the Lender to complain of any default by the Debtor irrespective of how long such default continues, shall not constitute a waiver by the Lender of its rights hereunder.

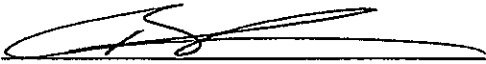
8.13 If any term of this Security Agreement shall be invalid or unenforceable to any extent, same shall be severed and the remainder of this Security Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

8.14 The Debtor acknowledges having received a copy of this Security Agreement and waives any right it may have to receive a copy of any Financing Statement or Financing Change Statement in relation hereto.

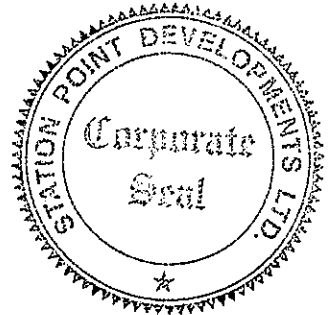


IN WITNESS WHEREOF the Debtor has hereunto affixed its corporate seal  
duly attested by the hands of its proper officers, ~~October~~ 2, 2015.  
*December*

STATION POINT DEVELOPMENTS LTD.

Per:  \_\_\_\_\_

Per: \_\_\_\_\_



SCHEDULE "A"

*December*

to that certain Security Agreement made as of ~~October~~ 2,  
2015 between STATION POINT DEVELOPMENTS LTD. (as  
Debtor) and KINGSETT MORTGAGE CORPORATION (as  
Lender).

---

Description of the Land Mortgage

- (a) Mortgagor: STATION POINT DEVELOPMENTS LTD.
- (b) Mortgagee: KINGSETT MORTGAGE CORPORATION
- (c) Mortgaged Lands:  
PLAN 0924862  
BLOCK 3  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (d) Principal Amount: \$21,000,000.00
- (e) Interest Rate: 8.50% per annum, calculated daily and compounded  
monthly, not in advance
- (f) Monthly Payment: Interest only
- (g) Maturity Date: December 1, 2017

SCHEDULE "B"

*December*

to that certain Security Agreement made as of October 2,  
2015 between STATION POINT DEVELOPMENTS LTD. (as  
Debtor) and KINGSETT MORTGAGE CORPORATION (as  
Lender).

---

Description of the Collateral

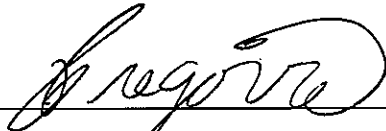
All property owned by the Debtor and located in or upon the  
Mortgaged Lands used in connection with the maintenance or  
operation of the Mortgaged Lands, whether affixed or not,  
including, without restriction, all appliances, heating  
equipment, air conditioning units, maintenance equipment,  
lobby furniture, show suite furniture, lawn mowers, snow  
blowers (together with all spare parts for the foregoing  
property) now or hereafter located on the Mortgaged Lands.

Printed Name of Lender  
Printed Name of Debtor  
Printed Name of Servicer, etc.

This is Exhibit "G" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

**Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.**

**POSTPONEMENT AND PRIORITY AGREEMENT**

THIS AGREEMENT made as of this \_\_\_\_ day of July, 2016.

BETWEEN:

**KINGSETT MORTGAGE CORPORATION**  
(the "First Lender")

-and-

**HMT HOLDINGS LTD.**  
(the "Second Lender")

-and-

**STATION POINT DEVELOPMENTS LTD.**  
(the "Borrower")

WHEREAS:

A. The Borrower is the registered owner of those lands legally described as:

PLAN 0924862  
BLOCK 3  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "Lands")

B. The Borrower and the First Lender have entered into a commitment letter in relation to the Lands dated March 23, 2015, as amended and restated in a letter dated May 25, 2016 (the "**First Lender's Commitment Letter**") pursuant to the terms of which the Borrower has granted security in favour of the First Lender to secure a loan in the principal amount of \$17,000,000.00 plus interest thereon (the "**Loan**");

C. The security granted under the First Lender's Commitment Letter is listed therein which is referred to herein as the "**First Lender's Security**";

D. The Borrower and the Second Lender have entered into a commitment letter in relation to the Lands dated \_\_\_\_\_, 2016 (the "Second Lender's Commitment Letter") pursuant to the terms of which the Borrower has granted security in favour of the Second Lender to secure a loan in the principal sum of \$1,200,000.00;

E. The security granted under the Second Lender's Commitment Letter is listed therein which is referred to herein as the "**Second Lender's Security**";

E. The parties have agreed to enter into this Agreement for the purpose of confirming the priorities between the First Lender's Security and the Second Lender's Security;

NOW THEREFORE in consideration of the Covenants and Agreements contained herein, and in consideration of the sum of One (\$1.00) Dollar paid by each of the parties to the others (the receipt and sufficiency of which is acknowledged), the parties agree with each other as follows:

#### **PRIORITY AND POSTPONEMENT**

1. The Second Lender hereby acknowledges and agrees that the First Lender's Security shall have priority over the Second Lender's Security in all respects including the prior right of the First Lender to collect its Loan from the Borrower.

2. The Second Lender acknowledges the above priority and it hereby postpones and subordinates its rights and remedies in law and equity to the First Lender's Security in all respects including all proceeds of realization, sale, foreclosure and other disposition in accordance with this Agreement and hereby grants to the First Lender priority over its interest in the Lands, rents and personal property located in the Lands, proceeds of insurance and proceeds of expropriation.

3. The within postponement and subordination by the Second Lender shall also include any additional advances which the First Lender in its sole option agrees to advance in order to protect or preserve the First Lender's Security, notwithstanding that such advances are over and above the amount authorized under the First Lender's Commitment Letter or in the First Lender's Security.

4. Upon execution of this agreement by the Second Lender, the First Lender or its solicitors are authorized to file notice of the First Lender's priority at the Personal Property Registry of Alberta or such other registry as may be required.

5. The Second Lender shall not receive or accept any payment or prepayment of any portion of the principal secured by the Second Lender's Security from the proceeds of the Loan or from the cash flow from the Lands until the Loan has been repaid in full and the First Lender's Security has been discharged. Any payment received by the Second Lender in contravention of this paragraph shall be held in trust for the First Lender and paid to the First Lender forthwith.

### **CONSENTS**

6. The Second Lender shall not take any steps to amend the Second Lender's Security, until the Loan has been paid in full, unless the Second Lender first obtains the

written consent of the First Lender, which consent may be unreasonably or arbitrarily withheld.

7. Each of the First Lender and the Second Lender consents to the granting of the other's security. The Borrower consents to the execution of this Agreement by the other parties and agrees to be bound by the provisions hereof.

8. Each of the First Lender and the Second Lender agrees with the other that neither of them shall challenge, dispute or contest the validity of the other's security.

#### **BANKRUPTCY OR INSOLVENCY OF BORROWER**

9. In the event of the bankruptcy, liquidation, or winding up of the Borrower, or any composition with creditors or scheme of arrangement, any and all dividends or other monies which may be due or payable to the Second Lender in respect of debts or claims of the Second Lender against the Borrower are hereby assigned and transferred to and shall be due and paid to the First Lender to be applied to the Loan until such time as the Loan is repaid in full.

10. The Second Lender shall at any time and from time to time, at the request of and as required by the First Lender, make, execute, and deliver all Statements of Claims, proofs of claims, assignments, and other documents, and do all matters and things which may be necessary or advisable for the protection of the rights of the First Lender under and by virtue of this Agreement.

#### **NOTICES**

11. Each of the First Lender and the Second Lender agrees that it shall give notice to the other party simultaneously with service on the Borrower of any and all notices



or demands given to the Borrower under the terms of their respective security. Nothing in this paragraph shall invalidate any action commenced or proceedings taken against the Borrower by either the First Lender or the Second Lender.

12. Any notice to be given hereunder by any party shall be deemed to have been well and sufficiently given if transmitted by facsimile or delivered, to the address or facsimile number of the party to whom it is intended as follows:

- (a) If to the **First Lender** then:  
Suite 4400, Toronto Dominion Centre  
TD Bank Tower, 66 Wellington Street West  
P.O. Box 163  
Toronto, Ontario M5K 1H6
- (b) If to the **Second Lender** then:  
Suite 500, 36 Toronto Street  
Toronto, Ontario M5C 2C5
- (c) If to the **Borrower** then:  
#201, 12906 – 54 Street  
Edmonton, Alberta T5A 5E5

or such other address or fax number as may be from time to time given by any party to the others in writing.

### **RIGHTS AND REMEDIES**

13. Nothing in this Agreement shall be construed as giving any rights or remedies to the Borrower and this Agreement is in addition to and without prejudice to any securities of any kind now or hereafter held by the First Lender or the Second Lender.

14. In the event the First Lender is required to commence legal proceedings to enforce this Agreement, the First Lender shall be entitled to recover , in addition to all other

damages or loss it may suffer, all of its costs involved with such enforcement including its legal fees on a solicitor and its own client basis.

15. This Agreement shall continue in full force and effect until all monies owing to the First Lender have been repaid in full and all obligations under the First Lender's Security have been satisfied and such security has been completely discharged.

16. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

17. This Agreement may be altered or amended in any of its provisions when any such changes are reduced to writing and signed by the parties hereto but not otherwise.

18. The Second Lender shall not assign or transfer any interest in the Second Lender's Security without the prior written consent of the First Lender which consent shall not be unreasonably or arbitrarily withheld, and without first obtaining from the assignee and delivering to the First Lender a written acknowledgement that the assignment is subject to the terms of this Agreement.

#### **STANDSTILL**

19. The Second Lender will not commence any lawsuit, action or proceeding of any kind against the Borrower to recover all or any part of the sums owing under the Second Lender's Security (the "Subordinate Debt"), unless and until the Loan has been repaid in full to the First Lender, without the written consent of the First Lender. Provided, however, that nothing contained herein shall limit or restrict the ability of the Second Lender to enforce any collateral security granted by the Borrower in addition to the Second Lender's Security in relation to assets of the Borrower which are not charged, encumbered or pledged pursuant to the First Lender's Security. .

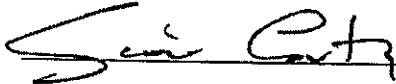
**EXECUTION IN COUNTERPART**

20. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but such counterpart shall together constitute one and the same instrument. This Agreement shall be considered to be properly executed by any party if executed and transmitted by facsimile to the other parties.

21. This Agreement shall be binding on and enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement as of the day and year first above written.

**KINGSETT MORTGAGE CORPORATION**

Per:  \_\_\_\_\_

Per: Scott Coates  
Vice-President

**HMT HOLDINGS LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**STATION POINT DEVELOPMENTS LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**EXECUTION IN COUNTERPART**

20. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but such counterpart shall together constitute one and the same instrument. This Agreement shall be considered to be properly executed by any party if executed and transmitted by facsimile to the other parties.

21. This Agreement shall be binding on and enure to the benefit of the parties hereto and their respective successors and assigns.


IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement as of the day and year first above written.

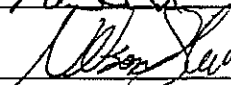
**KINGSETT MORTGAGE CORPORATION**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**HMT HOLDINGS LTD. INC.**

Per:  Bruce Shepherd, CRO

Per:  Nelson DaSilva, ASO

**STATION POINT DEVELOPMENTS LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**EXECUTION IN COUNTERPART**

20. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original, but such counterpart shall together constitute one and the same instrument. This Agreement shall be considered to be properly executed by any party if executed and transmitted by facsimile to the other parties.

21. This Agreement shall be binding on and enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement as of the day and year first above written.

**KINGSETT MORTGAGE CORPORATION**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**HMT HOLDINGS LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**STATION POINT DEVELOPMENTS LTD.**

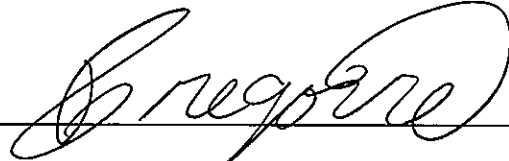
Per:  \_\_\_\_\_

Per: \_\_\_\_\_

This is Exhibit "H" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in cursive script, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0037 960 788            0924862;3;1                      182 116 059 +1

LEGAL DESCRIPTION

PLAN 0924862  
BLOCK 3  
LOT 1  
CONTAINING 1.345 HECTARES (3.32 ACRES) MORE OR LESS  
EXCEPTING THEREOUT:                      HECTARES      (ACRES) MORE OR LESS  
A) PLAN 1821512 - SUBDIVISION            0.53            1.31  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;53;23;SW  
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 152 018 195

---

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
182 116 059	22/05/2018	SUBDIVISION PLAN		

---

OWNERS  
  
STATION POINT DEVELOPMENTS LTD.  
OF 201,12906 54 STREET  
EDMONTON  
ALBERTA T5A 5E5

---

ENCUMBRANCES, LIENS & INTERESTS

---

REGISTRATION	DATE (D/M/Y)	PARTICULARS
092 144 132	07/05/2009	CAVEAT RE : RESTRICTIVE COVENANT PURSUANT TO MUNICIPAL GOVERNMENT ACT CAVEATOR - THE CITY OF EDMONTON. LAW BRANCH

---

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2  
# 182 116 059 +1

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		9TH FLOOR, CHANCERY HALL, 3 SIR WINSTON CHURCHILL SQUARE EDMONTON ALBERTA T5J2C3 AGENT - CARL ARGO
092 144 134	07/05/2009	UTILITY RIGHT OF WAY GRANTEE - THE CITY OF EDMONTON. AS TO PORTION OR PLAN:0924863 AS TO AREAS 'A,B,C,D,E,G'
092 144 137	07/05/2009	UTILITY RIGHT OF WAY GRANTEE - EPCOR DISTRIBUTION & TRANSMISSION INC. AS TO PORTION OR PLAN:0924864 AS TO AREAS 'A,B,C,D,E,F,G,H,I'
132 240 124	07/08/2013	CAVEAT RE : VENDOR'S LIEN CAVEATOR - THE CITY OF EDMONTON. C/O THE CITY OF EDMONTON LAW BRANCH 9TH FLR, CHANCERY HALL #3 SIR WINSTON CHURCHILL SQUARE EDMONTON ALBERTA T5J2C3 AGENT - CARL ARGO
162 007 723	12/01/2016	MORTGAGE MORTGAGEE - KINGSETT MORTGAGE CORPORATION. SUITE 4400 TORONTO DOMINION CENTRE TD BANK TOWER 66 WELLINGTON ST WEST PO BOX 163 TORONTO ONTARIO M5K1H6 ORIGINAL PRINCIPAL AMOUNT: \$26,250,000
162 007 724	12/01/2016	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - KINGSETT MORTGAGE CORPORATION. BROWNLEE LLP #2200, 10155-102 ST EDMONTON ALBERTA T5J4G8 AGENT - ROGER I SWAINSON
162 179 259	06/07/2016	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - KINGSETT MORTGAGE CORPORATION. BROWNLEE LLP #2200, 10155-102 ST

( CONTINUED )



ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

# 182 116 059 +1

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		EDMONTON ALBERTA T5J4G8 AGENT - ROGER I SWAINSON
162 208 926	03/08/2016	MORTGAGE MORTGAGEE - HMT HOLDINGS INC. 500, 36 TORONTO STREET TORONTO ONTARIO M5C2C5 ORIGINAL PRINCIPAL AMOUNT: \$1,200,000
162 244 260	06/09/2016	POSTPONEMENT OF CAVE 132240124 TO MORT 162208926
162 339 889	01/12/2016	UTILITY RIGHT OF WAY GRANTEE - EPCOR DISTRIBUTION & TRANSMISSION INC. AS TO PORTION OR PLAN:PORTION
182 116 061	22/05/2018	EASEMENT AS TO PORTION OR PLAN:1821513
192 026 961	31/01/2019	BUILDER'S LIEN LIENOR - FORTIS L.G.S. STRUCTURES INC. 9515-28 AVENUE NW EDMONTON ALBERTA T6N0A3 AGENT - PRIORITY CREDIT MANAGEMENT CORP. AMOUNT: \$2,672,255
192 075 558	01/04/2019	BUILDER'S LIEN LIENOR - FENCELINE RENTALS LTD. 24835 117 AVE ACHESON ALBERTA T7X6C2 AGENT - PRIORITY CREDIT MANAGEMENT CORP. AMOUNT: \$9,411
192 089 994	18/04/2019	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 192026961
192 091 695	24/04/2019	BUILDER'S LIEN LIENOR - VIPIND INC. ATTN: DEREK HOSTYN 13056 YELLOWHEAD TRAIL EDMONTON ALBERTA T5T3C1 AGENT - CRAIG SCHMIDT AMOUNT: \$107,590

( CONTINUED )

TOTAL INSTRUMENTS: 015

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 23 DAY OF MAY,  
2019 AT 11:16 A.M.

ORDER NUMBER: 37283140

CUSTOMER FILE NUMBER: 222672520775



\*END OF CERTIFICATE\*

---

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,  
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0037 960 796            1821512;3;2                      182 116 059

LEGAL DESCRIPTION  
PLAN 1821512  
BLOCK 3  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.53 HECTARES (1.31 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE  
ATS REFERENCE: 4;24;53;23;SW

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 152 018 195

-----  
REGISTERED OWNER(S)  
REGISTRATION      DATE (DMY)      DOCUMENT TYPE      VALUE              CONSIDERATION  
-----  
182 116 059      22/05/2018      SUBDIVISION PLAN

OWNERS  
STATION POINT DEVELOPMENTS LTD.  
OF 201,12906 54 STREET  
EDMONTON  
ALBERTA T5A 5E5

-----  
ENCUMBRANCES, LIENS & INTERESTS  
REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----  
092 144 132      07/05/2009      CAVEAT  
RE : RESTRICTIVE COVENANT PURSUANT TO MUNICIPAL  
GOVERNMENT ACT  
CAVEATOR - THE CITY OF EDMONTON.  
LAW BRANCH  
9TH FLOOR, CHANCERY HALL, 3 SIR WINSTON  
CHURCHILL SQUARE  
EDMONTON

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2  
# 182 116 059

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

ALBERTA T5J2C3  
AGENT - CARL ARGO

132 240 124      07/08/2013 CAVEAT  
RE : VENDOR'S LIEN  
CAVEATOR - THE CITY OF EDMONTON.  
C/O THE CITY OF EDMONTON LAW BRANCH  
9TH FLR, CHANCERY HALL  
#3 SIR WINSTON CHURCHILL SQUARE  
EDMONTON  
ALBERTA T5J2C3  
AGENT - CARL ARGO

162 007 723      12/01/2016 MORTGAGE  
MORTGAGEE - KINGSETT MORTGAGE CORPORATION.  
SUITE 4400 TORONTO DOMINION CENTRE  
TD BANK TOWER  
66 WELLINGTON ST WEST PO BOX 163  
TORONTO  
ONTARIO M5K1H6  
ORIGINAL PRINCIPAL AMOUNT: \$26,250,000

162 007 724      12/01/2016 CAVEAT  
RE : ASSIGNMENT OF RENTS AND LEASES  
CAVEATOR - KINGSETT MORTGAGE CORPORATION.  
BROWNLEE LLP  
#2200, 10155-102 ST  
EDMONTON  
ALBERTA T5J4G8  
AGENT - ROGER I SWAINSON

162 179 259      06/07/2016 CAVEAT  
RE : AMENDING AGREEMENT  
CAVEATOR - KINGSETT MORTGAGE CORPORATION.  
BROWNLEE LLP  
#2200, 10155-102 ST  
EDMONTON  
ALBERTA T5J4G8  
AGENT - ROGER I SWAINSON

162 208 926      03/08/2016 MORTGAGE  
MORTGAGEE - HMT HOLDINGS INC.  
500, 36 TORONTO STREET  
TORONTO  
ONTARIO M5C2C5  
ORIGINAL PRINCIPAL AMOUNT: \$1,200,000

162 244 260      06/09/2016 POSTPONEMENT  
OF CAVE 132240124

( CONTINUED )

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 3  
# 182 116 059

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS  
-----

TO MORT 162208926

162 339 889      01/12/2016 UTILITY RIGHT OF WAY  
GRANTEE - EPCOR DISTRIBUTION & TRANSMISSION INC.  
AS TO PORTION OR PLAN:PORTION

182 116 061      22/05/2018 EASEMENT  
AS TO PORTION OR PLAN:1821513

TOTAL INSTRUMENTS: 009

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 23 DAY OF MAY,  
2019 AT 11:16 A.M.

ORDER NUMBER:    37283140

CUSTOMER FILE NUMBER:    222672520775



\*END OF CERTIFICATE\*

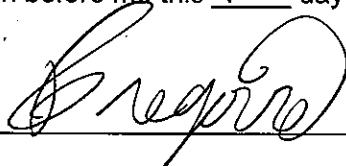
-----  
THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED  
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,  
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM  
INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,  
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS  
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING  
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

This is Exhibit "1" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

Search ID #: Z11465408

**Transmitting Party**

MCCARTHY TETRAULT LLP

4000, 421 - 7th AVENUE SW  
CALGARY, AB T2P 4K9

Party Code: 50087121  
Phone #: 403 260 3500  
Reference #: k.doran/rt

Search ID #: Z11465408

Date of Search: 2019-May-08

Time of Search: 10:57:59

**Business Debtor Search For:**

STATION POINT DEVELOPMENTS LTD.

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z11465408

**Business Debtor Search For:**

STATION POINT DEVELOPMENTS LTD.

Search ID #: Z11465408

Date of Search: 2019-May-08

Time of Search: 10:57:59

Registration Number: 15101531363

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Oct-15

Registration Status: Current

Expiry Date: 2040-Oct-15 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 STATION POINT DEVELOPMENTS LTD.  
#201, 12906 - 54 STREET  
EDMONTON, AB T5A 5E5

Current

**Secured Party / Parties**

**Block**

**Status**

1 KINGSETT MORTGAGE CORPORATION  
#4400 TD TOWER, 66 WELLINGTON STREET W.  
TORONTO, ON M5K 1H6

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED APARTMENT AND  
HOUSEHOLD FURNISHINGS AND APPLIANCES, PROPERTY MAINTENANCE  
EQUIPMENT, TOOLS AND SUPPLIES, OFFICE AND LOBBY FURNISHINGS,  
RECREATION EQUIPMENT AND FURNISHINGS, NOW OR HEREAFTER LOCATED AT:

Current

PLAN 0924862

BLOCK 3

LOT 1

EXCEPTING THEREOUT ALL MINES AND MINERALS

TOGETHER WITH ALL ACCOUNTS, CHATTEL PAPER, INSTRUMENTS, RECORDS  
AND BOOKS, CONTRACTUAL RIGHTS, AND INSURANCE CLAIMS RELATING TO THE  
SAID LANDS, AND ALL PROCEEDS THEREOF.

PROCEEDS: ACCOUNTS, CHATTEL PAPER, MONEY, INTANGIBLES, GOODS,  
INSURANCE PROCEEDS, DOCUMENTS OF TITLE, INSTRUMENTS, AND  
SECURITIES.



Search ID #: Z11465408

**Business Debtor Search For:**

STATION POINT DEVELOPMENTS LTD.

Search ID #: Z11465408

Date of Search: 2019-May-08

Time of Search: 10:57:59

---

Registration Number: 17092618235

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Sep-26

Registration Status: Current

Expiry Date: 2027-Sep-26 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

Current

1 STATION POINT DEVELOPMENTS LTD.  
201, 12906 - 54 STREET NW  
EDMONTON, AB T5A 5A6

**Secured Party / Parties**

**Block**

**Status**

Current

1 APRIL 8 DEVELOPMENTS INC.  
201, 12906 - 54 STREET NW  
EDMONTON, AB T5A 5A6

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z11465408

**Business Debtor Search For:**

STATION POINT DEVELOPMENTS LTD.

Search ID #: Z11465408

Date of Search: 2019-May-08

Time of Search: 10:57:59

---

Registration Number: 19022022743

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Feb-20

Registration Status: Current

Expiry Date: 2029-Feb-20 23:59:59

---

This Registration covers a Trust Indenture

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 STATION POINT DEVELOPMENTS LTD.  
201, 12906 54 ST NW  
EDMONTON, AB T5A5A8

Current

**Secured Party / Parties**

**Block**

**Status**

1 APRIL 8 DEVELOPMENTS INC.  
201, 12908 54 ST NW  
EDMONTON, AB T5A 5A8

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

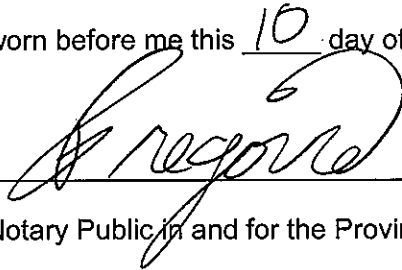
Current

Result Complete

This is Exhibit "J" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", is written over a horizontal line.

A Notary Public in and for the Province of Ontario

**Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.**

THIS FORBEARANCE AGREEMENT MADE ON 29 AUGUST 2018

BETWEEN:

KINGSETT MORTGAGE CORPORATION ("the Lender")

AND:

STATION POINT DEVELOPMENTS LTD. ("the Borrower")

AND:

BENIAMINO RAIMONDI, ZOLEIKA RAIMONDI, BCM DEVELOPMENTS LTD.  
and FORTIS LGS STRUCTURES INC. ("the Guarantors")

### FORBEARANCE AGREEMENT

- A. The Lender, the Borrower and the Guarantors agreed to a Commitment Letter dated 23 March 2015, and executed on or about 12 May 2015 ("the 2015 Commitment Letter"), under which the Lender agreed to make a loan to the Borrower to be guaranteed by the Guarantors ("the Loan").
- B. The Borrower executed and provided the required security for the Loan, as follows:
1. Mortgage dated 2 December 2015 (registered at Alberta Land Titles Office as instrument no. 162 007 723) against the lands described as:  
PLAN 0924862  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 1.345 HECTARES (3.32 ACRES) MORE OR LESS  
("the Mortgaged Lands");
  2. General Assignment of Rents and Leases, registered as instrument no. 162 007 724;
  3. Security Agreement registered at Personal Property Registry as no. 15101531363 as against the Borrower;
  4. Assignment of Purchase Agreements;
  5. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit;
  6. Assignment of Pledge of Deposit Account;
  7. Assignment and Pledge of Interest Reserve Account;
  8. Deficiency and Completion Guarantee;
  9. Share Hypothecation Agreement.

All of this listed security is collectively referred to in this Forbearance Agreement as "the Security".

- C. The Guarantors executed written guarantees of the Loan dated 2 December 2015 (“the Guarantees”), which were registered at Personal Property Registry as no. 15101531762.
- D. The Lender, the Borrower and the Guarantors agreed to a further Commitment Letter dated 25 May 2016 (“the 2016 Commitment Letter”), amending the terms of the Loan.
- E. In both the 2015 Commitment Letter and the 2016 Commitment Letter (collectively “the Commitment Letters”), the Borrower and the Guarantors agreed that they are required to finance any and all Project budget overruns from their own financial resources and not from proceeds of the Loan.
- F. The Borrower and the Guarantors executed an Amending Agreement with respect to the terms of the Mortgage on 14 June 2016, which was registered on title to the Mortgaged Lands by Caveat no. 162 179 259 (“the Amending Agreement”).
- G. Funds have been advanced, pursuant to the Commitment Letters, the Loan, the Security and the Amending Agreement, by the Lender to the Borrower, starting on 22 August 2016 and thereafter. Attached as Schedule A is the Lender’s Mortgage Investment Statement, showing the advances and the Loan balance owing, at 10 August 2018, of \$10,684,126.48 (“Schedule A”).
- H. On 25 May 2018, the Mortgaged Lands were subdivided and are now shown on two (2) titles at the Land Titles Office, legally described as:
- Firstly
- PLAN 0924862  
BLOCK 3  
LOT 1  
CONTAINING 1.345 HECTARES (3.32 ACRES) MORE OR LESS  
EXCEPTING THEREOUT:                      HECTARES (ACRES) MORE OR LESS  
A) PLAN 1821512 – SUBDIVISION              0.53              1.31  
EXCEPTING THEREOUT ALL MINES AND MINERALS
- Secondly
- PLAN 1821512  
BLOCK 3  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AREA: 0.53 HECTARES (1.31 ACRES) MORE OR LESS
- I. In the 2016 Commitment Letter, the Parties agreed that the revised Maturity Date of the Mortgage and other Security would be 1 September 2018.
- J. The amount owing under the Mortgage and the other Security, as guaranteed, has not been paid. The project is not yet finished, and completion of the project is still ongoing.

**THE LENDER IS WILLING TO AND WILL FORBEAR FROM TAKING STEPS TO COLLECT THE AMOUNTS CURRENTLY OWING, ON THE TERMS AND CONDITIONS SET OUT BELOW, TO WHICH THE PARTIES ALL AGREE:**

1. The recitals in paragraphs A to J above are incorporated into and form an integral part of this Forbearance Agreement.
2. The Borrower and the Guarantors acknowledge that the balance of the Loan at 10 August 2018 was \$ 10,684,126.48, as set out in Schedule A, plus interest thereafter, and all administration and management fees, legal costs, property management costs and outstanding taxes, all as set out in the Security.
3. The Borrowers and Guarantors acknowledge that the Loan is in default and they are currently unable to rectify the default and breaches under the Security, as guaranteed, or to make payment of the outstanding obligations due to the Lender, and as a result desire to enter into this Forbearance Agreement.
4. The Borrower hereby waives all demands and notice periods to which it is entitled at common law, under the *Bankruptcy and Insolvency Act*, or otherwise.
5. The Borrower and the Guarantors hereby acknowledge and agree that, as of the date of this Forbearance Agreement:
  - a. the Borrower is in default of certain of the terms of the Security, all as guaranteed by the Guarantors, and the Lender has the right to enforce the Security, in whatever order the Lender chooses, including without limitation, by action in the Court of Queen's Bench of Alberta.
  - b. the Security and the Guarantees are valid and enforceable, and the Borrower and the Guarantors are liable for all their obligations owing to the Lender thereunder. The Borrower and Guarantors will not contest the validity nor the enforceability of the Security and Guarantees, or any of them, in any Court process.
  - c. the Borrower and the Guarantors are not aware of any potential claim that may be held by any of them against the Lender, and hereby release and discharge the Lender and its servants, agents, employees and officers, from debts, claims, counterclaims, suits, actions or proceedings of every nature and kind whatsoever by any one or more of them relating to the Security and the facts up to the date of this Forbearance Agreement, whether or not such facts be known to the Borrowers, their officers, agents, representatives or assigns, or to the Guarantors, or any of them.
6. Subject to the terms and conditions herein, and compliance with the same by the Borrowers and the Guarantor, the Lender agrees to forbear in exercising its legal and equitable rights and remedies as against the Borrowers up to and including 1 February, 2019 ("the Forbearance Period"), except as provided for in this Forbearance Agreement, to allow the Borrower and the Guarantors, or any of them, the opportunity to pay to the Lender all amounts owing as provided in Schedule A, all interest that continues to accrue hereafter and all costs provided for in the Security and in this Forbearance Agreement, including legal costs on a full indemnity basis.

7. In further consideration of the Lender agreeing to forbear from exercising its legal rights, as against the Borrower and the Guarantors, as provided for herein, the Borrower and the Guarantors, or any of them, shall:
  - a. pay to the Lender a non-refundable forbearance fee of \$85,000.00. The Lender's forbearance fee of \$85,000.00 shall be payable by the Borrower and earned by the Lender on execution by all the Parties to this Forbearance Agreement. This forbearance fee shall be added to the Loan balance and secured by the Security and Guarantees;
  - b. continue to pay, pursuant to the monthly TIPP program, the property taxes against the Mortgaged Lands.
8. During the Forbearance Period, the Lender will forbear and will take no action against the Borrower or the Guarantors, unless there occur an event of default as described in paragraph 9.
9. An event of default shall include (without limitation) the following circumstances:
  - a. If the Borrower or the Guarantors default in any of their obligations under this Forbearance Agreement, under the Security or under the Commitment Letters, or if any representation under this Forbearance Agreement, or the Security, or any other agreement between the parties is false or misleading or becomes false or misleading.
  - b. If the Borrower fails to comply with its timely performance and advances requirement prescribed in paragraph 18, below.
  - c. If any action is taken or event occurs which may adversely affect the Lender's position. The decision as to whether an event has occurred which may adversely affect the Lender's position is to be determined solely by the Lender, acting reasonably.
  - d. If the Borrower or the Guarantors, or any of them:
    - i. make any assignment for the benefit of creditors or are adjudged bankrupt;
    - ii. is the subject of a petition in bankruptcy;
    - iii. commits an act of bankruptcy;
    - iv. takes any proceedings for the purpose of extension of time for or staying of payment of its indebtedness or compromise of liabilities including, without limitation, proceedings under the *Companies' Creditors Arrangement Act* or *Bankruptcy and Insolvency Act* or similar legislation;
    - v. is the subject of any execution, sequestration, seizure of assets, garnishment, judgment or any similar process of any court of competent jurisdiction or any distress or similar process and the same is not set aside or released within seven (7) days;
    - vi. fail to finance promptly any and all Project budget overruns from their own financial resources and not from proceeds of the Loan.

- e. If any entity other than the Lender issues demands for the repayment of indebtedness against the Borrower or taking any step described in paragraph 8 hereof against the Borrower.
  - f. If any receiver, administrator or manager is appointed in respect of any of their property or assets.
  - g. If their respective creditors, or any of them, take any action or there occurs any event which may materially adversely affect the Lender's position, as determined by the Lender, acting reasonably.
10. The Borrower agrees that it will not, without the written consent of the Lender, make any filing or seek any creditor protection (including a stay of proceedings) pursuant to the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act*, or otherwise at law or in equity (a "Filing"). If any Filing is made in respect of the Borrower, the Borrower agrees that:
- a. the terms of this Forbearance Agreement will continue to bind the Borrower;
  - b. the Lender will not be affected by any stay or other order in such proceedings;
  - c. the Lender will be an unaffected creditor in any plan or proposal, unless the Lender consents to being treated otherwise;
  - d. the Borrower irrevocably consents to the variation of any stay or order which would purport to affect the Lender; and
  - e. the Borrower will not make or support any application which would have the effect of:
    - i. creating any charge, whether legal or equitable, ranking in priority to the Security, as amended by this Forbearance Agreement; or
    - ii. altering or varying the rights of the Lender under the terms of the Security, as amended by this Forbearance Agreement.
11. Without the consent of the Lender, the Borrower shall not incur any short or long term debt, other than in favour of trade creditors in the ordinary course of business.
12. In respect of priority payments, the Borrower represents, warrants, covenants and agrees that:
- a. from and after the date of this Forbearance Agreement it will remit, in accordance with legal requirements, (i) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any province which are required to be deducted from employees' wages, including, without limitation, amounts in respect of employment insurance, Canada Pension Plan and income taxes; (ii) amounts payable by the Borrower in respect of Workers' Compensation, employment insurance, Canada Pension Plan, and income taxes with respect to employees; (iii) all goods and services or sales taxes payable by the Borrower or its customers in connection with the retail sale of goods and services by the Borrower to such customers; and (iv) all property taxes including, without limitation, taxes relating to the Lands;



- b. all remittances and payments described in the preceding subparagraph are, as of the date hereof, current and in good standing or arrangements have been made to bring such remittances and payments into good standing; and
- c. it shall provide to the Lender, at the request of the Lender, a certificate, in the form and substance acceptable to the Lender, certifying that the remittance and payments described in paragraph 12 hereof are in good standing as of the date designated in the Lender's request;

but in all other respects the rights and obligations set forth in the Commitment Letters and the Security Documents, as amended by this Forbearance Agreement, are hereby confirmed and the Borrower's performance of its obligations thereunder, as herein amended, are agreed to be the terms and conditions of this Forbearance Agreement.

- 13. The Borrower and the Guarantors covenant and agree to provide to the Lender such other and further information that the Lender may reasonably request.
- 14. The Borrower and the Guarantors hereby acknowledge and agree that the implementation and performance of this Forbearance Agreement is to facilitate the Lender's management of the Lender's financial risk and does not constitute any form of management or control over any of the Borrower's assets or operations.
- 15. Immediately on the occurrence of any event of default pursuant to this Forbearance Agreement, the Lender shall give to the Borrower and the Guarantors written notice of the default, and shall be able immediately to commence action, realize upon, enforce, and protect the Security, as the Lender may, in its discretion, decide.
- 16. If the Lender commences an action in the Court of Queen's Bench of Alberta, the Borrower and the Guarantors covenant not to:
  - a. defend the Mortgage Action, but to file one or more Demands for Notice, if so advised;
  - b. contest or dispute the right of the Lender to obtain a Redemption Order/Order for Sale or other Orders, in regard to the Mortgaged Lands.
- 17. The Borrower and the Guarantors agree to and approve the appointment by the Lender of Pro 3 Management Ltd. ( the "Project Manager") as Project Manager for the purposes and on the terms set out in the letter between the Lender and the Project Manager, dated 2/3 August 2018. The Parties also acknowledge that Turner & Townsend CM2R Inc. ("the Project Monitor") will continue as Project Monitor or cost consultant, as agreed in the 2015 and 2016 Commitment Letters. All fees and disbursements of both the Project Manager and the Project Monitor will be payable by the Borrower and added to the balance owing under the Loan. The Borrowers and the Guarantors hereby release the Lender, its directors, employees, advisors and agents, from any liability arising out of or associated with the appointments, agreements and requirements agreed to in this Forbearance Agreement.
- 18. The Borrower shall continue, without delay, construction on the Mortgaged lands in accordance with the Commitment Letters and this Forbearance Agreement, and the

Guarantors shall guarantee the Borrower's continuing timely performance. Sufficient work on the Mortgaged Lands, as approved by the Project Manager and the Project Monitor, shall be completed each month, commencing 1 September 2018 and each month thereafter, until final completion of the work required on the Mortgaged Lands, to warrant draw requests and funding advances of at least \$500,000 per month. All future construction draws and advances under the Security and this Forbearance Agreement shall be made through Counsel noted in paragraph 34, below.

19. Each of the Parties agrees to execute and deliver such further and other documents and assurances and to do such further and other acts as may be necessary to implement and carry out the full intent and meaning of this Forbearance Agreement.
20. It is understood and agreed by the parties to this Forbearance Agreement that the terms of this Forbearance Agreement shall not be changed or altered without the written consent of all parties hereto.
21. The rights conferred upon the Lender under this Forbearance Agreement shall be cumulative and in addition to every other right, either given hereunder, or available to the Lender pursuant to the Security and the Guarantees, existing by law or in equity or otherwise. Nothing in or done pursuant to this Forbearance Agreement shall make the Lender a mortgagee in possession.
22. Unless expressly agreed to in writing, any forbearance by the Lender past the Forbearance Period shall be at the Lender's pleasure, and the Lender reserves the right to take further steps regarding the Security at the expiry or termination of the Forbearance Period, without further demand or notice
23. The Borrower will provide to the Lender, at the time of executing this Forbearance Agreement, a Directors' Resolution, in the form attached hereto as Schedule "B", authorizing the execution of this Forbearance Agreement in a form acceptable to the Lender.
24. If any term of this Forbearance Agreement shall be found by a court to be invalid or unenforceable, the remainder of this Forbearance Agreement shall not be affected thereby, and each remaining term and condition of this Forbearance Agreement shall be valid and enforceable to the full extent permitted by law.
25. This Forbearance Agreement shall enure to the benefit of and be binding on the parties hereto and their respective successors and assigns.
26. This Forbearance Agreement shall be governed by and construed in accordance with the laws of Alberta. The parties hereby submit to the jurisdiction of the Courts of Alberta.
27. Time shall be of essence of this Forbearance Agreement.
28. Any representation or warranty previously made by the Lender or by any officer, employee or agent of the Lender, which is inconsistent with the terms of this Forbearance

Agreement, is hereby superseded and of no force and effect to the extent of such inconsistency.

29. Failure by the Lender to insist upon the strict performance, observance or satisfaction of any of the covenants or conditions herein or in any Security, Guarantee, or in any other documents pertaining to this Forbearance Agreement or the Security shall not be construed as a waiver of any such covenant or condition.
30. Nothing in this Forbearance Agreement is intended to be or shall be construed as an agreement by the Lender to accept anything other than full payment of all indebtedness owed to it by the Borrower, as guaranteed. As well, nothing herein contained is intended to be or shall be construed as a waiver by the Lender of any of its rights, or remedies in respect of the amounts owed or under the Security or as a waiver of the strict performance, observance or satisfaction of any of the covenants or conditions contained in the Commitment Letters, the Security or in this Forbearance Agreement.
31. The Parties all expressly agree that any limitation period prescribed by the *Limitations Act*, RSA 2000, c. L-12, shall be extended and will not start to run, until the day after the end of the Forbearance Period.
32. This Forbearance Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed, shall be deemed to be an original and all of which taken together shall constitute one and the same agreement, and the execution and delivery of counterparts of this Forbearance Agreement by telecopier or other electronic means (including PDF format) by any party shall be binding upon the parties hereto.
33. The parties hereby covenant to execute such further documents and agree to do such further and other things that the other party may reasonably request to give full or better effect to the provisions of this Forbearance Agreement.
34. Any notice, request, service required, demand or other communication given hereunder shall be duly given or made when it has been delivered, faxed or emailed to the following address(es):

a) To the Borrower and Guarantors:           c/o Patrick & Patrick  
Barristers and Solicitors  
#300, 10310 Jasper Avenue  
Edmonton, AB T5J 2W4  
Fax: (780) 425-9358  
Email: bpatrick@patrickpatrick.com  
Attn: William Patrick

b) To the Lender's Solicitors:           c/o Reynolds Mirth Richards & Farmer LLP  
Barristers and Solicitors  
Suite 3200 Manulife Place  
10180 - 101<sup>st</sup> Street  
Edmonton, AB T5J 3W8

Fax: (780) 429-3044  
Email: fprice@rmrf.com  
Attn: Francis Price Q.C.

Required copy to the Lender:

KingSett Mortgage Corporation  
Suite 4400, 66 Wellington St. West  
PO Box 163, Toronto, ON M5K 1H6  
Email: DPollack@Kingsettcapital.com  
Attn: Daniel Pollack

IN WITNESS, the Parties have executed this Forbearance Agreement by their hands and the hands of their authorized officers on the day and year first above written.

KINGSETT MORTGAGE CORPORATION

per: 

per:  Group Head

STATION POINT DEVELOPMENTS LTD.

per: \_\_\_\_\_

per: \_\_\_\_\_

BCM DEVELOPMENTS LTD.

per: \_\_\_\_\_

FORTIS LGS STRUCTURES INC.

per: \_\_\_\_\_

\_\_\_\_\_  
BENIAMINO RAIMONDI

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
ZOLEIKA RAIMONDI

\_\_\_\_\_  
WITNESS

Fax: (780) 429-3044  
Email: [fprice@rmrf.com](mailto:fprice@rmrf.com)  
Attn: Francis Price O.C.

Required copy to the Lender:

KingSett Mortgage Corporation  
Suite 4400, 66 Wellington St. West  
PO Box 163, Toronto, ON M5K 1H6  
Email: [DPollack@Kingsettcapital.com](mailto:DPollack@Kingsettcapital.com)  
Attn: Daniel Pollack

IN WITNESS, the Parties have executed this Forbearance Agreement by their hands and the hands of their authorized officers on the day and year first above written.

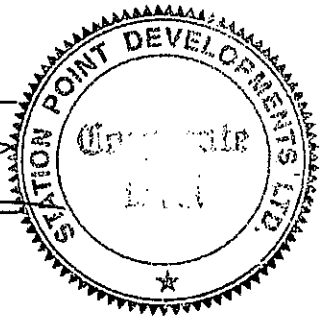
KINGSETT MORTGAGE CORPORATION

per: \_\_\_\_\_

per: \_\_\_\_\_

STATION POINT DEVELOPMENTS LTD.

per: 



per: \_\_\_\_\_

BCM DEVELOPMENTS LTD.

per: 

FORTIS LGS STRUCTURES INC.

per: \_\_\_\_\_

  
\_\_\_\_\_  
BENIAMINO RAIMONDI

  
\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
ZOLEIKA RAIMONDI

\_\_\_\_\_  
WITNESS

Fax: (780) 429-3044  
Email: fprice@rmrf.com  
Attn: Francis Price Q.C.

Required copy to the Lender:

KingSett Mortgage Corporation  
Suite 4400, 66 Wellington St. West  
PO Box 163, Toronto, ON M5K 1H6  
Email: DPollack@Kingsettcapital.com  
Attn: Daniel Pollack

IN WITNESS, the Parties have executed this Forbearance Agreement by their hands and the hands of their authorized officers on the day and year first above written.

KINGSETT MORTGAGE CORPORATION

per: \_\_\_\_\_

per: \_\_\_\_\_

STATION POINT DEVELOPMENTS LTD.

per: \_\_\_\_\_

per: \_\_\_\_\_

BCM DEVELOPMENTS LTD.

per: \_\_\_\_\_

FORTIS LGS STRUCTURES INC.

per: \_\_\_\_\_

\_\_\_\_\_  
BENIAMINO RAIMONDI

\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
ZOLEIKA RAIMONDI

  
\_\_\_\_\_  
WITNESS

**GUARANTEES ACKNOWLEDGMENT ACT**


**CERTIFICATE OF NOTARY PUBLIC**

I hereby certify that:

**BENIAMINO RAIMONDI**, of the City of Edmonton, in the Province of Alberta, one of the Guarantors in the Forbearance Agreement dated as of 29 August 2018, made between **KINGSETT MORTGAGE CORPORATION** *et. al.* and **BENIAMINO RAIMONDI**, *et. al.* which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the Forbearance Agreement, and that his Guarantee dated 2 December 2015 remains in force and extends to the Forbearance Agreement.

I satisfied myself by examination of him that he is aware of the contents of the Forbearance Agreement and understands it.

GIVEN at Edmonton, Alberta, on 29 August 2018 under my hand and seal of office.

  
A Lawyer in and for the Province of Alberta.

WILLIAM G. PATRICK  
BARRISTER & SOLICITOR  
#300, 10310 Jasper Avenue  
Edmonton, AB T5J 2W4  
PH: (780) 426-4884 FX: (780) 425-9358  
email: bpatrick@patrickpatrick.com

**STATEMENT OF GUARANTOR**

I am the person named in this Certificate.

  
**BENIAMINO RAIMONDI**


**GUARANTEES ACKNOWLEDGMENT ACT  
CERTIFICATE OF NOTARY PUBLIC**

I hereby certify that:

**ZOLEIKA RAIMONDI**, of the City of Edmonton, in the Province of Alberta, one of the Guarantors in the Forbearance Agreement dated as of 31 August 2018, made between **KINGSETT MORTGAGE CORPORATION et. al.** and **ZOLEIKA RAIMONDI, et. al.** which this certificate is attached to or noted upon, appeared in person before me and acknowledged that she had executed the Forbearance Agreement, and that her Guarantee dated 2 December 2015 remains in force and extends to the Forbearance Agreement.

I satisfied myself by examination of her that she is aware of the contents of the Forbearance Agreement and understands it.

*city of Toronto - ontario*  
GIVEN at ~~Edmonton, Alberta~~, on 31 August 2018 under my hand and seal of office.

  
A Lawyer in and for the Province of ~~Alberta~~. *ontario*

**STATEMENT OF GUARANTOR**

I am the person named in this Certificate.

  
**ZOLEIKA RAIMONDI**

**Mitra Mohammadi-West**  
Barrister, Solicitor & Notary Public  
39 Twen? Fifth Street, Unit 1B  
Toronto, Ontario, M8V 3P6  
Tel: 416-477 2718 (X:101)  
Fax: 647-723 6502

**Mitra Mohammad-West**  
Barrister, Solicitor & Notary Public  
39 Twenty Fifth Street, Unit 1B  
Toronto, Ontario, M8V 3P6  
Tel: 416-477 2718 (X:101)  
Fax: 647-723 6502



**KingSett Real Estate Mortgage LP No.3  
Mortgage Investments Statement  
8/22/2016 to 8/10/2018**

KingSett Real Estate Mortgage LP NO. 3

INVESTOR ID: 7

**Investment Details**  
 Investment: \$10,884,126.48  
 Status: Outstanding  
 Interest Rate: 8.500%

**Mortgage Details**

Mortgage Id: 132  
 Principal: \$17,000,000.00  
 Borrower: Station Pointe Developments Ltd.

**Transactions History**

Date	PaymentDescription	Fee	Collected	Fee Balance	GST	Collected	GST Balance	Net Debit Amt	Interest	ChargedDescription	Balance
04-Apr-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,730.64	\$799,117.00Advance Funds	\$4,707,677.03
01-May-2017	\$32,330.97Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,330.97	\$29,600.33	\$32,330.97Transfer Principal	\$4,740,008.00
05-May-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,415.35	\$722,085.00Advance Funds	\$5,462,093.00
01-Jun-2017	\$36,759.20Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,759.20	\$4,343.85	\$36,759.20Transfer Principal	\$5,500,352.20
09-Jun-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,248.16	\$793,737.00Advance Funds	\$6,294,589.20
01-Jul-2017	\$42,497.15Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,497.15	\$32,248.99	\$42,497.15Transfer Principal	\$6,337,086.35
01-Jul-2017	\$20.01Adjustment to Principal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.01	\$0.00	\$0.00	\$6,337,066.34
12-Jul-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,293.31	\$669,562.00Advance Funds	\$7,006,648.34
01-Aug-2017	\$48,867.01Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,867.01	\$32,633.70	\$48,867.01Transfer Principal	\$7,055,515.35
01-Aug-2017	\$20.01Adjustment to Principal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.01	\$0.00	\$0.00	\$7,055,535.36
10-Aug-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,787.63	\$589,439.00Advance Funds	\$7,644,974.36
01-Sep-2017	\$53,955.03Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,955.03	\$39,167.40	\$53,955.03Transfer Principal	\$7,698,929.39
01-Oct-2017	\$53,787.04Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,787.04	\$53,787.04	\$53,787.04Transfer Principal	\$7,752,716.43
25-Oct-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,330.25	\$361,399.00Advance Funds	\$8,114,115.43
01-Nov-2017	\$56,557.37Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,557.37	\$13,227.12	\$56,557.37Transfer Principal	\$8,170,672.80
01-Dec-2017	\$57,082.78Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,082.78	\$57,082.78	\$57,082.78Transfer Principal	\$8,227,755.58
01-Dec-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,186,832.00Advance Funds	\$9,414,587.58
19-Dec-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39,463.89	\$399,714.00Advance Funds	\$9,804,301.58
01-Jan-2018	\$69,145.41Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$69,145.41	\$28,681.52	\$69,145.41Transfer Principal	\$9,873,446.99
01-Feb-2018	\$71,278.17Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$71,278.17	\$71,278.17	\$71,278.17Transfer Principal	\$9,944,725.16
01-Mar-2018	\$64,845.06Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,845.06	\$64,845.06	\$64,845.06Transfer Principal	\$10,009,570.22
01-Apr-2018	\$72,260.87Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$72,260.87	\$72,260.87	\$72,260.87Transfer Principal	\$10,081,831.09

**KingSett Real Estate Mortgage LP No.3  
Mortgage Investments Statement  
8/22/2016 to 8/10/2018**

KingSett Real Estate Mortgage LP NO. 3

INVESTOR ID: 7

**Mortgage Details**

Mortgage Id: 132  
Principal: \$17,000,000.00  
Borrower: Station Pointe Developments Ltd.

Investment: \$10,684,126.48  
Status: Outstanding  
Interest Rate: 8.500%

**Transactions History**

Date	PaymentDescription	Fee	Collected	Fee Balance	GST	Collected	GST Balance	Net Debit Amt	Interest	ChargedDescription	Balance
22-Aug-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,154,469.00Advance Funds	\$1,154,469.00
01-Sep-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,688.49	\$0.00	\$1,154,469.00
01-Sep-2016	\$2,688.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,688.49	\$0.00	\$2,688.49Transfer Principal	\$1,157,157.49
01-Oct-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,084.25	\$0.00	\$1,157,157.49
01-Oct-2016	\$8,084.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,084.25	\$0.00	\$8,084.25Transfer Principal	\$1,165,241.74
13-Oct-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,256.29	\$535,273.00Advance Funds	\$1,700,514.74
01-Nov-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,524.20	\$0.00	\$1,700,514.74
01-Nov-2016	\$10,780.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,780.49	\$0.00	\$10,780.49Transfer Principal	\$1,711,295.23
22-Nov-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,368.94	\$713,886.00Advance Funds	\$2,425,181.23
01-Dec-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,082.91	\$0.00	\$2,425,181.23
01-Dec-2016	\$13,451.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,451.85	\$0.00	\$13,451.85Transfer Principal	\$2,438,633.08
22-Dec-2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,925.92	\$506,883.00Advance Funds	\$2,945,516.08
01-Jan-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,859.42	\$0.00	\$2,945,516.08
01-Jan-2017	\$18,785.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,785.34	\$0.00	\$18,785.34Transfer Principal	\$2,964,301.42
01-Feb-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,399.82	\$0.00	\$2,964,301.42
01-Feb-2017	\$21,399.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,399.82	\$0.00	\$21,399.82Transfer Principal	\$2,985,701.24
13-Feb-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,343.60	\$545,484.00Advance Funds	\$3,531,185.24
01-Mar-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,157.29	\$0.00	\$3,531,185.24
01-Mar-2017	\$21,500.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,500.89	\$0.00	\$21,500.89Transfer Principal	\$3,552,686.13
01-Mar-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,964.03	\$328,316.00Advance Funds	\$3,881,001.13
01-Apr-2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,594.87	\$0.00	\$3,881,001.13
01-Apr-2017	\$27,558.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,558.90	\$0.00	\$27,558.90Transfer Principal	\$3,908,560.03

**KingSett Real Estate Mortgage LP No.3  
Mortgage Investments Statement  
8/22/2016 to 8/10/2018**

KingSett Real Estate Mortgage LP NO. 3

INVESTOR ID: 7

**Mortgage Details**

Mortgage Id: 132  
Principal \$17,000,000.00  
Borrower: Station Pointe Developments Ltd.

**Investment Details**  
Investment: \$10,684,126.48  
Status: Outstanding  
Interest Rate: 8.500%

**Transactions History**

Date	PaymentDescription	Fee	Collected	Fee Balance	GST	Collected	GST Balance	Net Debit Amt	Interest	ChargedDescription	Balance
01-May-2018	\$70,434.71Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,434.71	\$70,434.71	\$70,434.71Transfer Principal	\$10,152,265.80
01-Jun-2018	\$73,291.01Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$73,291.01	\$73,291.01	\$73,291.01Transfer Principal	\$10,225,556.81
01-Jul-2018	\$71,438.82Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$71,438.82	\$71,438.82	\$71,438.82Transfer Principal	\$10,296,995.63
01-Aug-2018	\$74,335.85Transfer Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74,335.85	\$74,335.85	\$74,335.85Transfer Principal	\$10,371,331.48
10-Aug-2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,737.17	\$312,795.00Investor Deposit	\$10,684,126.48

**SCHEDULE "B"**

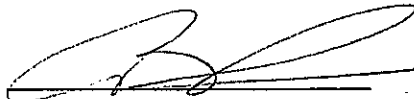
RESOLUTION OF THE DIRECTORS  
OF  
STATION POINT DEVELOPMENTS LTD.  
(the "Corporation")

RESOLVED:

1. That the Corporation do execute, consent to and acknowledge the Forbearance Agreement dated 29 August 2018, in favour of KingSett Mortgage Corporation (the "Lender").
2. That the Corporation shall be bound by the terms of the Forbearance Agreement in favour of the Lender.
3. That the Board of Directors shall do all that is necessary and execute all such documents and further assurances as the Lender may require in order to give effect to the Forbearance Agreement.

**CERTIFICATE**

I, the undersigned President of Station Point Developments Ltd., hereby certify that the foregoing is a true copy of a resolution of the directors consented to, adopted and properly passed on 29 August 2018.



Beniamino Raimondi

This is Exhibit "K" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

**Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.**

COURT FILE NUMBER: 1903 08169

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: EDMONTON

PLAINTIFF: FORTIS LGS STRUCTURES INC.

DEFENDANTS: STATION POINT DEVELOPMENTS LTD. and BCM DEVELOPMENTS LTD.

DOCUMENT: STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: Field LLP  
Barristers and Solicitors  
2500, 10175 - 101 Street  
Edmonton, AB T5J 0H3

**Attention : Ryan P. Krushelnitzky**

Ph: (780) 423-3003 Fax: (780) 428-9329

File No. 67834-1

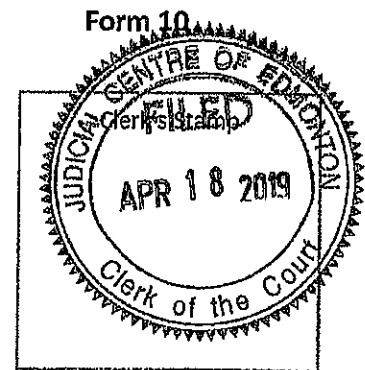
**NOTICE TO DEFENDANTS: STATION POINT DEVELOPMENTS LTD. and BCM DEVELOPMENTS LTD.**

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

**STATEMENT OF FACTS RELIED ON:**

1. This is an action pursuant to the *Builders' Lien Act*, RSA 2000, c B-7 to realize on the security of a valid builder's lien filed by the Plaintiff against lands owned by the Defendant, Station Point Developments Ltd. (also known as Station Pointe Developments Ltd.) ("Station Point"), as well as for breach of contract and unjust enrichment.
2. The Plaintiff, Fortis LGS Structures Inc. ("Fortis LGS"), is an Alberta corporation that carries on business as, among other things, a general contractor.
3. The Defendant, Station Point, is an Alberta corporation that carries on business as a property developer.



4. The Defendant, BCM Developments Ltd. ("BCM"), is an Alberta corporation that carries on business as a property developer.

5. On or around January 27, 2014, Fortis LGS entered into a CCDC 2 Stipulated Price Contract and/or a Sub-Contract, identified as Contract SP1-01-14027 (collectively, the "Contract"), with one or both of BCM and Station Point (collectively, the "Defendants") to provide materials, labour, subcontractors, subtrades, tools, supervision, equipment, and supplies for the construction of a mixed-use condominium building project, including an underground parkade with 102 stalls, located at 403 Belvedere Gate, Edmonton, Alberta and called Station Pointe Phase 1 & 2 (the "Project").

6. The Project is being constructed on lands owned by Station Point in fee simple and legally described as:

PLAN 0924862  
 BLOCK 3  
 LOT 1  
 CONTAINING 1.345 HECTARES (3.32 ACRES) MORE OR LESS  
 EXCEPTING THEREOUT:                      HECTARES      (ACRES) MORE OR LESS  
 A) PLAN 1821512 – SUBDIVISION      0.53              1.31  
 EXCEPTING THEREOUT ALL MINES AND MINERALS  
 (LINC 0037 960 788)

(the "Lands")

7. The Contract included, by incorporation, architectural, structural, electrical, and mechanical drawings prepared for the Defendants, or either of them, and dated and sealed in or around 2013.

8. Pursuant to the Contract, Fortis LGS was to be paid a fixed price amount of \$17,614,428.00, plus GST, and subject to adjustment as provided for in the Contract, in exchange for performing the work, as defined in the Contract, in its capacity as the general contractor and manager for the Project, including hiring and paying subcontractors. Invoicing and payment occurred on a monthly basis.

9. Fortis LGS performed its contractual obligations in a good and workmanlike manner.

10. In or around 2016, without consulting Fortis LGS or executing a change order, the Defendants, or either of them, materially changed the drawings to increase the size of the underground parkade by 54 stalls, well beyond the specifications set out in the 2013 drawings incorporated into the Contract (the "Parkade Redesign").

11. As a result of the Parkade Redesign, Fortis LGS was required to expand the scope of work and materials required to be provided to complete the Project. The additional cost for work and materials for changes arising from the Parkade Redesign is \$1,150,766.20, which amount is in excess of the price agreed to in the Contract (the "Parkade Redesign Work").

12. Fortis LGS has incurred additional costs, in an amount to be proven at trial, due to changes in scope, made at the direction of the Defendants and without executing change orders, including changing the specifications of the Project to comply with modifications to the requirements of Built Green Silver certification (the "Additional Work").

13. Fortis LGS has not been paid for the Parkade Redesign Work and for the Additional Work, which was performed at the request, for the benefit, and with the privity and consent of the Defendants, or either of them, and is entitled to payment for that work, either as damages for breach of contract due to the failure of the Defendants to pay for additional work under the Contract, or pursuant to a collateral contract with the Defendants.

14. On or around January 22, 2019, Fortis LGS issued an invoice, accompanied by a Statutory Declaration as required under the Contract, to Station Point for unpaid work and materials in the amount of \$1,701,102.95 (the "January 2019 Invoice"). The January 2019 Invoice reflects the cumulative amount outstanding from previous monthly invoices, including amounts owing to subcontractors.

15. The Defendants have failed or refused to pay the amounts owing pursuant to the January 2019 Invoice, notwithstanding Fortis LGS's demand for payment.

16. Fortis LGS is entitled to damages in the amount of \$1,701,102.95 from the Defendants for breach of contract arising from non-payment of amounts owing under the Contract.

17. Fortis LGS has additionally suffered damages, in an amount to be proven at trial, resulting from delay and non-payment of amounts owing by the Defendants, including incurring legal costs to respond to claims by unpaid subcontractors. These damages would not have been incurred had the Defendants complied with their contractual obligations.

18. Further, or in the alternative, Fortis LGS is entitled to payment of no less than \$2,851,869.15 on the basis of unjust enrichment and *quantum meruit*. The Defendants have been enriched by Fortis LGS's provision of work and materials, including the Parkade Redesign Work and the Additional Work, Fortis LGS has suffered a corresponding deprivation, and there is no juristic reason to permit the Defendants to retain the benefit of Fortis LGS's work and materials.



19. Fortis LGS further claims interest on the amounts owing pursuant to the interest rate set out in the Contract, or alternatively, pursuant to the *Judgment Interest Act*, RSA 2000, c J-1.
20. On or around January 31, 2019, Fortis LGS caused a Builder's Lien in the amount of \$2,672,255, dated January 30, 2019, to be registered against the Lands as Instrument No. 192 026 961.
21. The Project is not complete as at the time that this Statement of Claim was filed, and work pursuant to the Contract remains ongoing.
22. As a result of work performed and materials provided pursuant to the Contract, as well as the Parkade Redesign Work and the Additional Work, Fortis LGS has improved the Lands, at the request and direction of the Defendants, or either of them, resulting in an increase in the value of the Lands by a sum of at least \$2,672,255 (in addition to any amounts already paid to Fortis LGS pursuant to the Contract).
23. By reason of the work and materials supplied to the Lands, Fortis LGS became entitled to, and is entitled to, a valid builder's lien upon the Lands pursuant to the *Builders' Lien Act*, RSA 2000, c B-7, the terms of which are expressly pleaded and relied upon.

**RELIEF SOUGHT:**

24. Fortis LGS claims against the Defendants:
  - a. Damages in the amount of \$2,851,869.15, or such further and other amount as may be proven at trial, for breach of contract and/or unjust enrichment;
  - b. A declaration that it is entitled to a valid Builder's Lien against the Lands and that the Lien is valid;
  - c. An order that, in default of payment of the amounts claimed, that the interests of Station Point in the Lands be sold and the proceeds therefrom be applied to satisfaction of its claim;
  - d. Interest pursuant to the Contract, or alternatively the *Judgment Interest Act*, RSA 2000, c J-1;
  - e. Costs of this action; and
  - f. Such further and other relief as this Honourable Court may consider just and appropriate.

**NOTICE TO THE DEFENDANTS**

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta;

1 month if you are served outside Alberta but in Canada;

2 months if you are served outside Canada.

You can respond by filing a Statement of Defence or a Demand for Notice in the office of the Clerk of the Court of Queen's Bench at Edmonton, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiff's address for service.

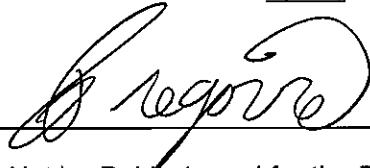
**WARNING**

If you do not file and serve a Statement of Defence or a Demand for Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the Plaintiff against you.

This is Exhibit "L" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**NOTICE OF INTENTION TO ENFORCE SECURITY**

Section 244(1), *Bankruptcy & Insolvency Act*  
(Rule 124)

To: Station Point Developments Ltd., an insolvent corporation

Take notice that:

1. Kingsett Mortgage Corporation, a secured creditor, intends to enforce its security on the insolvent company's/person's property described below:

All or substantially all secured or pledged land, chattels, assignments of shares, inventory, accounts receivable, deposit accounts, interest reserves, share hypothecation agreements, purchase agreements and contracts, and all other assets secured by the security to be enforced described in paragraph 2.

2. The security that is to be enforced is the following:

- a. Mortgage, registered at Land Titles office as #162 007 723;
- b. Assignment of Rents and Leases, registered at Land Titles office as #162 007 724;
- c. Amending Agreement, registered at Land Titles office as #162 179 259;
- d. Security Agreement, registered at Personal Property Registry as #15101531363;
- e. Security Agreement, registered at Personal Property Registry as #15101531762;
- f. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit; and
- g. Written Guarantees of Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.

3. The total amount of indebtedness secured by the security is:

\$11,866,770, as of 28 February 2019, plus interest thereafter and costs.

4. The secured creditor shall not enforce the security until after the expiry of the 10-day period after this notice is sent, unless the insolvent corporation/person consents to an earlier enforcement.

Dated at Edmonton, Alberta on 1 March 2019.

**Kingsett Mortgage Corporation**

by its duly authorized representatives and solicitor  
Reynolds Mirth Richards & Farmer LLP

Per: \_\_\_\_\_

Francis Price, Q.C.

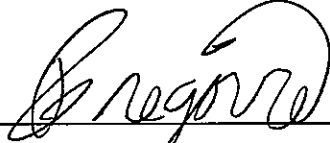
Station Point Developments Ltd. hereby consents  
to the earlier enforcement of the security.

Per: \_\_\_\_\_

This is Exhibit "M" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**NOTICE OF INTENTION TO ENFORCE SECURITY**

Section 244(1), *Bankruptcy & Insolvency Act*  
(Rule 124)

To: BCM Developments Ltd., an insolvent corporation

Take notice that:

1. Kingsett Mortgage Corporation, a secured creditor, intends to enforce its security on the insolvent company's/person's property described below:

All or substantially all secured or pledged land, chattels, assignments of shares, inventory, accounts receivable, deposit accounts, interest reserves, share hypothecation agreements, purchase agreements and contracts, and all other assets secured by the security to be enforced described in paragraph 2.

2. The security that is to be enforced is the following:

- a. Mortgage, registered at Land Titles office as #162 007 723;
- b. Assignment of Rents and Leases, registered at Land Titles office as #162 007 724;
- c. Amending Agreement, registered at Land Titles office as #162 179 259;
- d. Security Agreement, registered at Personal Property Registry as #15101531363;
- e. Security Agreement, registered at Personal Property Registry as #15101531762;
- f. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit; and
- g. Written Guarantees of Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.

3. The total amount of indebtedness secured by the security is:

\$11,866,770, as of 28 February 2019, plus interest thereafter and costs.

4. The secured creditor shall not enforce the security until after the expiry of the 10-day period after this notice is sent, unless the insolvent corporation/person consents to an earlier enforcement.

Dated at Edmonton, Alberta on 1 March 2019.

**Kingsett Mortgage Corporation**  
by its duly authorized representatives and solicitor  
Reynolds Mirth Richards & Farmer LLP

Per: \_\_\_\_\_

Francis Price, Q.C.

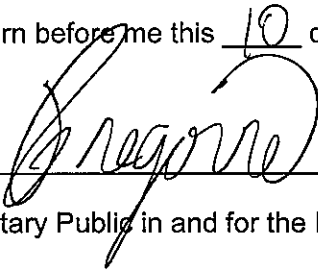
BCM Developments Ltd. hereby consents  
to the earlier enforcement of the security.

Per: \_\_\_\_\_

This is Exhibit "N" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", is written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**NOTICE OF INTENTION TO ENFORCE SECURITY**

Section 244(1), *Bankruptcy & Insolvency Act*  
(Rule 124)

To: Fortis LGS Structures Inc., an insolvent corporation

Take notice that:

1. Kingsett Mortgage Corporation, a secured creditor, intends to enforce its security on the insolvent company's/person's property described below:

All or substantially all secured or pledged land, chattels, assignments of shares, inventory, accounts receivable, deposit accounts, interest reserves, share hypothecation agreements, purchase agreements and contracts, and all other assets secured by the security to be enforced described in paragraph 2.

2. The security that is to be enforced is the following:

- a. Mortgage, registered at Land Titles office as #162 007 723;
- b. Assignment of Rents and Leases, registered at Land Titles office as #162 007 724;
- c. Amending Agreement, registered at Land Titles office as #162 179 259;
- d. Security Agreement, registered at Personal Property Registry as #15101531363;
- e. Security Agreement, registered at Personal Property Registry as #15101531762;
- f. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit; and
- g. Written Guarantees of Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.

3. The total amount of indebtedness secured by the security is:

\$11,866,770, as of 28 February 2019, plus interest thereafter and costs.

4. The secured creditor shall not enforce the security until after the expiry of the 10-day period after this notice is sent, unless the insolvent corporation/person consents to an earlier enforcement.

Dated at Edmonton, Alberta on 1 March 2019.

**Kingsett Mortgage Corporation**  
by its duly authorized representatives and solicitor  
Reynolds Mirth Richards & Farmer LLP

Per: \_\_\_\_\_

  
Francis Pace, Q.C.

Fortis LGS Structures Inc. hereby consents  
to the earlier enforcement of the security.

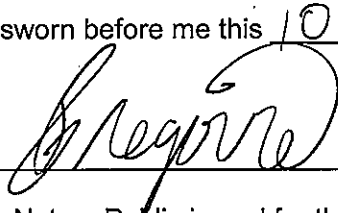
Per: \_\_\_\_\_



This is Exhibit "O" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

**Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.**

**NOTICE OF INTENTION TO ENFORCE SECURITY**

Section 244(1), *Bankruptcy & Insolvency Act*  
(Rule 124)

To: Zoleika Raimondi, an insolvent person

Take notice that:

1. Kingsett Mortgage Corporation, a secured creditor, intends to enforce its security on the insolvent company's/person's property described below:

All or substantially all secured or pledged land, chattels, assignments of shares, inventory, accounts receivable, deposit accounts, interest reserves, share hypothecation agreements, purchase agreements and contracts, and all other assets secured by the security to be enforced described in paragraph 2.

2. The security that is to be enforced is the following:

- a. Mortgage, registered at Land Titles office as #162 007 723;
- b. Assignment of Rents and Leases, registered at Land Titles office as #162 007 724;
- c. Amending Agreement, registered at Land Titles office as #162 179 259;
- d. Security Agreement, registered at Personal Property Registry as #15101531363;
- e. Security Agreement, registered at Personal Property Registry as #15101531762;
- f. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit; and
- g. Written Guarantees of Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.

3. The total amount of indebtedness secured by the security is:

\$11,866,770, as of 28 February 2019, plus interest thereafter and costs.

4. The secured creditor shall not enforce the security until after the expiry of the 10-day period after this notice is sent, unless the insolvent corporation/person consents to an earlier enforcement.

Dated at Edmonton, Alberta on 1 March 2019.

**Kingsett Mortgage Corporation**  
by its duly authorized representatives and solicitor  
Reynolds Mirth Richards & Farmer LLP

Per: \_\_\_\_\_

Francis Price, Q.C.

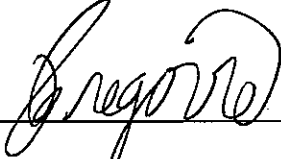
Zoleika Raimondi hereby consents  
to the earlier enforcement of the security.

Per: \_\_\_\_\_

This is Exhibit "P" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

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

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

**NOTICE OF INTENTION TO ENFORCE SECURITY**

Section 244(1), *Bankruptcy & Insolvency Act*  
(Rule 124)

To: Beniamino Raimondi, an insolvent person

Take notice that:

1. Kingsett Mortgage Corporation, a secured creditor, intends to enforce its security on the insolvent company's/person's property described below:

All or substantially all secured or pledged land, chattels, assignments of shares, inventory, accounts receivable, deposit accounts, interest reserves, share hypothecation agreements, purchase agreements and contracts, and all other assets secured by the security to be enforced described in paragraph 2.

2. The security that is to be enforced is the following:
  - a. Mortgage, registered at Land Titles office as #162 007 723;
  - b. Assignment of Rents and Leases, registered at Land Titles office as #162 007 724;
  - c. Amending Agreement, registered at Land Titles office as #162 179 259;
  - d. Security Agreement, registered at Personal Property Registry as #15101531363;
  - e. Security Agreement, registered at Personal Property Registry as #15101531762;
  - f. Assignment of Contracts, Construction Documents, Insurance Proceeds and Letters of Credit; and
  - g. Written Guarantees of Beniamino Raimondi, Zoleika Raimondi, BCM Developments Ltd. and Fortis L.G.S. Structures Inc.
3. The total amount of indebtedness secured by the security is:

\$11,866,770, as of 28 February 2019, plus interest thereafter and costs.
4. The secured creditor shall not enforce the security until after the expiry of the 10-day period after this notice is sent, unless the insolvent corporation/person consents to an earlier enforcement.

Dated at Edmonton, Alberta on 1 March 2019.

**Kingsett Mortgage Corporation**  
by its duly authorized representatives and solicitor  
Reynolds Mirth Richards & Farmer LLP

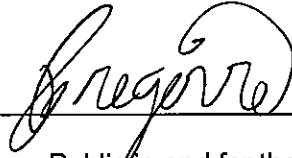
Per: \_\_\_\_\_

Francis Price, Q.C.

Beniamino Raimondi hereby consents  
to the earlier enforcement of the security.

Per: \_\_\_\_\_

This is Exhibit "Q" referred to in the Affidavit of  
Daniel Pollack  
sworn before me this 10 day of June, 2019.



---

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.



**Our Team**

**Bobby Kofman**

**David Steradzki**

**Mitch Vininsky**

**Robert Harlang**

**Peter Farkas**

**Peter Weinstein**

**Noah Goldstein**



**Bobby Kofman**

**Managing Director**

bkofman@ksvadvisory.com

416.932.6228

Bobby Kofman, MBA, CIRP is a Managing Director as well as the President of KSV. He leads the firm's Restructuring and Turnaround practice. Bobby has practiced in the field since 1992. He is routinely engaged in Canada and the United States to represent debtors, secured creditors and other stakeholders. His experience working for various constituents allows him to understand the issues relevant to each stakeholder group, enabling him to facilitate successful turnarounds, whether in the context of formal or informal restructuring proceedings. His ability to balance the interests of stakeholders has earned him a reputation for achieving exemplary results.

Bobby has extensive experience in virtually all industries, as well as in cross-border restructurings. He has been involved with several high profile restructurings, including: Urbancorp; Danier Leather; Primus; Prizna; The Ravelston Corporation Limited, the parent company in the Hollinger Group; Lear Corporation; Dura Automotive; SKD Company; Pliant Corporation; Skylink; Eddie Bauer Limited; Jetsgo Corporation; Confederation Life Insurance Company; The T. Eaton Company Limited; Dylex Limited and The Canadian Red Cross Society. Additionally, he has been involved with numerous restructurings throughout the United States.

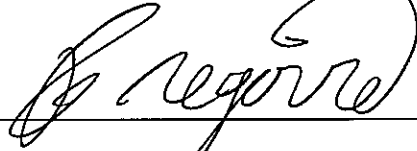
Bobby is a member of the Insolvency Institute of Canada. He is a Licensed Insolvency Trustee and a Chartered Insolvency and Restructuring Professional.

Bobby holds an MBA and a BA from the University of Toronto.

This is Exhibit "R" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "P. Grégoire", written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

## FACILITY AGREEMENT

This agreement (the "Agreement") is dated \_\_\_\_\_, 2019.

BETWEEN:

**KINGSETT MORTGAGE CORPORATION  
("KS")**

- and -

**KSV KOFMAN INC. solely in its capacity as trustee, receiver and manager  
of the Project and Lands (both as hereinafter defined)  
(the "Trustee")**

**WHEREAS** Station Point Developments Ltd. ("Station") is the registered owner of lands and premises legally described as:

Firstly

PLAN 0924862

BLOCK 3

LOT 1

CONTAINING 1.345 HECTARES (3.32 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

A) PLAN 1821512 – SUBDIVISION           0.53           1.31

EXCEPTING THEREOUT ALL MINES AND MINERALS

Secondly

PLAN 1821512

BLOCK 3

LOT 2

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.53 HECTARES (1.31 ACRES) MORE OR LESS

(collectively, the "Lands")

**AND WHEREAS** KS, as lender, issued a commitment letter to Station dated March 23, 2015 and accepted by Station, as borrower, on May 12, 2015, as such letter was amended from time to time and as most recently amended by an amending agreement dated May 25, 2016 (the "Commitment") in relation to the development and construction of a 112-unit residential apartment building with approximately 19,000 square feet of ground floor retail space being constructed on the Lands (the "Project");

**AND WHEREAS** Station's obligations under the Commitment are secured by, amongst other things, a mortgage dated December 2, 2015 and registered against the Lands as instrument number 162 007 723, as amended by an amending agreement dated June 11, 2016 and registered against the Lands as instrument number 162 179 259 (collectively, the "Mortgage");



**AND WHEREAS** pursuant to a [Court Order pronounced on \_\_\_\_\_], (the "Order"), the Alberta Court of Queen's Bench appointed KSV Kofman Inc. as trustee pursuant to s. 54 of the *Builders' Lien Act* (Alberta) and as receiver and manager pursuant to s. 13(2) of the *Judicature Act*, RSA 2000 c. J-2 and section 243 of the *Bankruptcy and Insolvency Act* with respect to the Project;

**NOW THEREFORE THE PARTIES HERETO**, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of them, the parties agree as follows:

1. As of \_\_\_\_\_, there is [insert current balance], including interest, but excluding costs, outstanding from Station to KS under and pursuant to the Commitment (the "Current Balance").
2. In accordance with and pursuant to the Order and this Agreement, KS has agreed to advance an amount, which when taken in the aggregate with the Current Balance, will take the total amount outstanding from Station to KS under and pursuant to the Commitment up to but not exceeding, \$17,000,000 (the "Funds") to the Trustee pursuant to s. 54 of the *Builders' Lien Act* and the Order.
3. The Funds shall available to and be used by the Trustee in accordance with the Commitment (as the same has been amended from time to time), the Mortgage, the Collateral Security, and this Agreement including funding all costs and expenses related thereto, including professional costs and expenses including, without limitation, with regard to the interest rate and fees payable by Station to KS.
4. In accordance with the terms of the Order, any funds advanced in accordance herewith shall have priority over all security interests, mortgages, liens, builders' liens, charges and other encumbrances held by any person on, in or against the Lands, whether or not registered, existing at the date of the Order. For greater certainty, nothing in this Agreement purports to alter the priority of the Current Balance in any way.
5. The funds shall be advanced to the Trustee in accordance with and pursuant to the terms of the Commitment.
6. The terms and conditions of this Agreement, once executed and delivered by all parties hereto, shall be deemed to be effective as of the date first written on page one hereof.
7. Time shall be in every respect of the essence.
8. This Agreement shall be binding upon and enure to the benefit of the successors and permitted assigns of the respective parties hereto.
9. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or other electronic form and the parties adopt any signatures received by a receiving fax machine or by email as original signatures of the parties.
10. This Agreement shall be interpreted in accordance with the laws of Alberta and the laws of Canada applicable therein.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**KINGSETT MORTGAGE CORPORATION**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**KSV KOFMAN INC., solely in its capacity as trustee, receiver and manager of the Project and Lands**

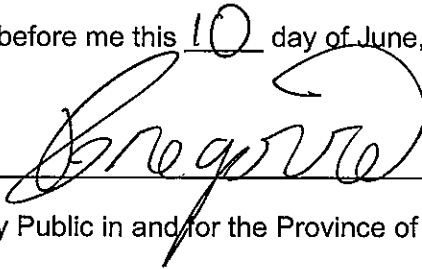
Per: \_\_\_\_\_

Per: \_\_\_\_\_

This is Exhibit "S" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.

A handwritten signature in black ink, appearing to read "Grégoire", is written over a horizontal line.

A Notary Public in and for the Province of Ontario

Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.

Date: May 8, 2019

Account: 10163749

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 403 BELVEDERE GATE NW EDMONTON AB

Legal Description: Plan: 0924862 Block: 3 Lot: 1

Assessed Parcel Description: exc-plan 1821512

Mortgage Company Billed: No Monthly Payment Plan: Yes

Valuation Group: MULTI-RESIDENTIAL

Community Revitalization Levy Area: N: BELVEDERE

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2019 Assessment: 13,998,500 Year Built: 2016

Land Use Description	Tax Class	Taxable Status
135 Combination lowrise and highrise apartment building	OTHER RESIDENTIAL 80 %	135: (100%): FULLY TAXABLE JAN-2019 TO DEC-2019, 200: (100%): FULLY TAXABLE JAN-2019 TO DEC-2019

*Disclaimer: The balance on this report is conditional upon all payments clearing the City's and the payer's bank. In the event that any such payment is rejected or is not completed, or additional charges are incurred in the clearing of a payment, the amount of the payment and any additional charges incurred will be added to the account without further notice. The City of Edmonton accepts no liability from the reliance of any party on the contents of this report. Individuals who require certification of the current amount of taxes imposed, or the total amount of taxes owing should request a Tax Certificate from the City of Edmonton. (Errors and Omissions excepted).*

\*\* For information on newly constructed or proposed local improvements that may affect the property, contact 311 (780-442-5311 if outside Edmonton).

200 Mixed-use retail building

COMMERCIAL

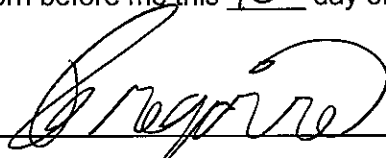
20 %

Property Tax		Account Status	
<b>Prior Year: 2018</b>			
Taxes:	<b>\$125,493.88</b>	Tax Arrears:	\$ .00
Annual Local Improvements:	<b>\$ .00</b>	Penalty:	<u>\$ .00</u>
Total Prior Year Taxes:	<b>\$125,493.88</b>	Arrears Sub-Total:	\$ .00
<b>Tax Year: 2019 Not Available</b>			
Taxes:		Current Taxes:	(\$52,289.10)
Annual Local Improvements:**		Penalty:	<u>\$ .00</u>
Total Current Year Taxes:		Current Sub-Total:	(\$52,289.10)
		Other Charges:	\$ .00
		Penalty:	<u>\$ .00</u>
		Other Charges Sub-Total:	\$ .00
		<b>Total Balance Owing on May 1, 2019</b>	<b>(\$52,289.10)</b>

This is Exhibit "T" referred to in the Affidavit of

Daniel Pollack

sworn before me this 10 day of June, 2019.



---

A Notary Public in and for the Province of Ontario

*Pierre-Gabriel Grégoire, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires May 3, 2022.*

Date: May 8, 2019

Account: 10883029

The information displayed below is the most recent information for the tax year indicated at the time of this request.

Property Address: 407 BELVEDERE GATE NW EDMONTON AB

Legal Description: Plan: 1821512 Block: 3 Lot: 2

Assessed Parcel Description:

Mortgage Company Billed: No Monthly Payment Plan:

Valuation Group: MULTI-RESIDENTIAL

Community Revitalization Levy Area: N: BELVEDERE

Owner Name:

Owners Address:

Remarks:

Assessment Year: 2019

Assessment: 1,728,500

Year Built:

Land Use Description

Tax Class

Taxable Status

912 Undeveloped multi-residential land

OTHER RESIDENTIAL 100 %

912: (100%): FULLY TAXABLE JAN-2019 TO DEC-2019

Property Tax		Account Status	
<b>Prior Year: 2018</b>			
Taxes:	\$0.00	Tax Arrears:	\$ .00
Annual Local Improvements:	\$0.00	Penalty:	\$ .00
Total Prior Year Taxes:	\$0.00	Arrears Sub-Total:	\$ .00
<b>Tax Year: 2019 Not Available</b>			
Taxes:		Current Taxes:	\$ .00
Annual Local Improvements:**		Penalty:	\$ .00
Total Current Year Taxes:		Current Sub-Total:	\$ .00
		Other Charges:	\$ .00
		Penalty:	\$ .00
		Other Charges Sub-Total:	\$ .00
		<b>Total Balance Owing on May 1, 2019</b>	<b>\$0.00</b>

*Disclaimer: The balance on this report is conditional upon all payments clearing the City's and the payer's bank. In the event that any such payment is rejected or is not completed, or additional charges are incurred in the clearing of a payment, the amount of the payment and any additional charges incurred will be added to the account without further notice. The City of Edmonton accepts no liability from the reliance of any party on the contents of this report. Individuals who require certification of the current amount of taxes imposed, or the total amount of taxes owing should request a Tax Certificate from the City of Edmonton. (Errors and Omissions excepted).*

\*\* For information on newly constructed or proposed local improvements that may affect the property, contact 311 (780-442-5311 if outside Edmonton).