Form 49
[Rule 13.19(1)]

COURT FILE NUMBER	
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLANTIFF	**ADDENDA CAPITAL INC.**
DEFENDANTS	**112 STREET NW EDMONTON PARTNERS LP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC., 112 STREET NW EDMONTON PARTNERS GP INC., and CANDEREL ENTERPRISES INC.**
DOCUMENT	**AFFIDAVIT FOR APPOINTMENT OF RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Jack R. Maslen / Myles Fish Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9790 / 9764 Facsimile: (403) 266-1395 Email: jmaslen@blg.com / mfish@blg.com File No. 292493.83

AFFIDAVIT OF SAVVAS PALLARIS

Sworn on April 27, 2023

I, **SAVVAS PALLARIS**, of the City of Edmonton, in the Province of Alberta, **SWEAR AND SAY THAT**:

1. I am an Executive Vice-President, Commercial Mortgages at Addenda Capital Inc. ("**Addenda**" or sometimes the "**Mortgagee**"), the Plaintiff in this action. By virtue of my direct involvement in this matter, I have personal knowledge of the matters hereinafter deposed to except where stated to be based on information and belief, and where so stated I verily believe the same to be true.

2. I am authorized to make this Affidavit on behalf of Addenda.

3. I make this Affidavit in support of Addenda's Application to, among other things, appoint MNP Ltd. ("**MNP**") as receiver and manager, without security (the "**Receiver**"), over all of the current

and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), of the Borrower (as defined below).

THE PARTIES

4. Addenda is a corporation incorporated pursuant to the laws of the Province of Quebec, which is extra-provincially registered to carry on business in Alberta. Addenda carries on business across Canada by, among other things, providing commercial mortgages to Canadian businesses.

5. The Defendant, 112 Street NW Edmonton Partners LP ("**112 LP**") is a limited partnership registered pursuant to the laws of the Province of Alberta.

6. The Defendant, 112 Street NW Edmonton Partners GP Inc. ("**112 GP**" or the "**Mortgagor**", and together with 112 LP, collectively the "**Borrower**") is a corporation incorporated pursuant to the laws of the Province of Alberta, with its registered office in Calgary, Alberta. 112 GP is the general partner of 112 LP.

7. Canderel Enterprises Inc. ("**Canderel**" or "**Guarantor**") is a federal corporation incorporated pursuant to the laws of Canada, with its registered office in Montreal, Quebec. I believe that Canderel is a member of the Canderel group of companies and carries on business as a property and asset manager across Canada. To the best of my knowledge, Canderel's affiliates own 112 GP and are among the limited partners of 112 LP.

8. The Borrower and Canderel are sometimes collectively referred to as the "**Defendants**". True copies of corporate registry searches for the Defendants are attached hereto as **Exhibit "A"**.

BACKGROUND

The Loan and Mortgage

9. Pursuant to a Commitment Letter dated October 30, 2017 (the "**Commitment Letter**"), Addenda advanced to 112 LP, by its general partner 112 GP, a loan in the amount of $14,600,000.00, plus interest (the "**Loan**"). Among other things, the Commitment Letter provided that the Loan would have a term of five years from the "Interest Adjustment Date". Attached hereto and marked as **Exhibit "B"** is a true copy of the Commitment Letter.

10. As security for the Loan, pursuant to a Mortgage dated January 31, 2018 (the "**Mortgage**"), 112 GP provided to Addenda a conventional first ranking mortgage over the lands legally described as:

FIRSTLY :
PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:
PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:
PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:
PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

(collectively, the "**Mortgaged Lands**").

11. The municipal address for the Mortgaged Lands is 10050 – 112 Street NW, Edmonton, Alberta, T5K 2J1. A 10-story office building, known as Compass Place (hereafter, "**Compass Place**"), is situated on the Mortgaged Lands. Attached hereto and marked as **Exhibit "C"** is a true copy of the Mortgage.

12. The Mortgage was duly registered against the Certificates of Title for the Mortgaged Lands as Instrument 182 038 067. Attached hereto and marked as **Exhibit "D"** are true copies of Alberta Land Titles Certificates for the Mortgaged Lands.

13. Given that 112 LP is the beneficial (though not legal) owner of the Mortgaged Lands, Addenda, 112 LP, and 112 GP entered into a Beneficial Owner's Agreement dated January 31, 2018 (the

"**Beneficial Owner's Agreement**"). Pursuant to the Beneficial Owner's Agreement, among other things, 112 LP confirmed that it was the beneficial owner of the Mortgaged Lands and charged, assigned and created a security interest in the Mortgaged Lands in favour of Addenda. Attached hereto and marked as **Exhibit "E"** is a true copy of the Beneficial Owner's Agreement.

14. Among other things, the Mortgage provides that:

(a) the Mortgagor must make instalment payments, due on the first of each month [s. 2.2];

(b) the Mortgage matures on March 1, 2023, at which time the entire amount of the Loan is due and payable to Addenda [s. 2.2(c)]. However, the maturity date was modified by the terms of the Commitment Letter and the date funds were advanced under the Loan, so as to be February 1, 2023 (the "**Maturity Date**");

(c) the Mortgagor will take good and reasonable care of the building on the Mortgaged Lands, will maintain and keep the building in good order, repair and condition, and promptly make all required or necessary repairs and replacements that a prudent owner would do [s. 3.4(b)];

(d) the Mortgagor's failure to observe or perform in any material respect any of the terms or conditions of the Mortgage constitutes an event of default under the Mortgage [s. 1.1(g)(i)];

(e) the occurrence of any material deterioration, in the Mortgagee's opinion, in the financial condition of the Mortgagor shall constitute an event of default [s. 1.1(g)(xii)];

(f) upon the occurrence of an event of default which has not been cured within three business days following notice of such default from the Mortgagee, the whole of the Loan, including interest and, without restriction, any advances, fees or expenses made or incurred by the Mortgagee in connection with the Mortgage, including legal costs on a solicitor-and-his-own client basis, become due and payable [s. 5.1(e)]; and

(g) finally, upon the occurrence of an event of default, which has not been cured within three days following notice of such default from the Mortgagee, the Mortgagee may appoint a receiver in respect of the Mortgaged Lands [s. 6.1].

The Assignments

15. As further security for the Loan, 112 GP executed a General Assignment of Rents and Leases and a Specific Assignment of Leases, both dated January 31, 2018 (collectively, the "**Assignments**"), pursuant to which it assigned all leases and rents payable in respect of the Mortgaged Lands to

Addenda, as additional security for amounts due under the Mortgage. Attached hereto and marked as **Exhibits "F" and "G"** are true copies of the Assignments.

16. The Assignments were duly registered against the Certificates of Title for the Mortgaged Lands as Instrument Number 182 038 068.

The General Security Agreement

17. As yet further security for repayment of amounts due under the Loan and Mortgage, 112 LP, by its general partner 112 GP, executed a Security Agreement dated January 31, 2018 (the "**Security Agreement**"). Attached hereto and marked as **Exhibit "H"** is a true copy of the Security Agreement.

18. The Security Agreement was duly registered as against 112 LP and 112 GP at the Alberta Personal Property Registry ("**PPR**") as Registration No. 18012630193. The aforementioned security registrations in favour of Addenda are the only registrations in respect of the Borrower at the PPR. Attached hereto and marked as **Exhibit "I"** are true copies of the PPR Search Reports dated April 4, 2023.

19. Among other things, the Security Agreement provides that:

    (a) the Borrower grants to Addenda a first security interest in all of the present and after acquired personal property and proceeds of the Borrower now or hereafter located on, arising from or used or acquired in connection with the Mortgaged Lands, or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the Mortgaged Lands [s. 2.1, and Schedule "A"];

    (b) the security interest granted by the Borrower secures repayment of any and all obligations, indebtedness and liability of the Borrower to Addenda secured by the Mortgage [ss. 1.1(a) and 2.1];

    (c) upon the occurrence of an event of default under the Mortgage, which has not been cured within three business days following notice of such default from Addenda, Addenda shall be at liberty to take any and all proceedings for enforcing the Security Agreement, including by appointing a receiver in respect of the collateral secured by the Security Agreement [ss. 7.1-7.2]; and

(d) all fees and expenses incurred by Addenda in enforcing the Security Agreement, including legal costs on a solicitor-and-his-own client basis, shall form part of the indebtedness secured by the Secured Agreement, shall be repayable on demand, and shall be a charge on the collateral secured [s 8.3].

The Canderel Guarantee

20. As yet further security for repayment of amounts due under the Mortgage, the Plaintiff obtained a Guarantee from Canderel dated January 31, 2018 (the "**Guarantee**"). Attached hereto and marked as **Exhibit "J"** is a true copy of the Guarantee.

21. Among other things, the Guarantee provides that:

(a) Canderel unconditionally and absolutely guaranteed to Addenda repayment of any and all obligations, indebtedness and liability of every nature and description payable by the Borrower to Addenda secured by the Mortgage;

(b) Canderel's liability for amounts owing under the Mortgage is limited to the principal sum of $4,000,000.00, plus interest on that principal sum computed from the date of demand at the interest rate in the Mortgage, plus Addenda's legal costs on a solicitor-and-his-own client basis incurred to enforce the Guarantee; and

(c) any and all indebtedness of the Borrower to Canderel is assigned to Addenda, shall be held in trust by Canderel for Addenda, and upon demand by Addenda, shall be paid to Addenda without lessening Canderel's liability to Addenda under the Guarantee.

22. The Guarantee was duly registered against the Guarantor at the PPR as Registration No. 18012630177. Attached hereto and marked as **Exhibit "K"** is a true copy of the PPR Search Report for Canderel, dated April 4, 2023.

Compass Place

23. As indicated above, a 10-story office building, known as Compass Place, is situated on the Mortgaged Lands. Compass Place is 85,011 square feet and is a multi-tenant property. It was constructed in 1973.

24. One of Canderel's affiliates, named Canderel Management (West) Inc. ("**Canderel Management**"), manages the building. Canderel Management is also one of the largest tenants.

25. So far as I am aware, the Borrower has no other business apart from owning and operating Compass Place.

UNSUCCESSFUL ATTEMPTS TO RENEW MORTGAGE

26. Beginning in or around mid-2022, Addenda engaged in discussions with the Borrower and Canderel, as applicable, with respect to a possible renewal of the Loan and Mortgage, given that the five-year term for the Loan and Mortgage would expire in early 2023.

27. In these communications, Canderel indicated that expected net operating income for Compass Place for 2022 and 2023 would barely be sufficient to cover existing monthly payments under the Mortgage. Canderel also indicated that Compass Pace would "ideally … need a capital injection" of several millions of dollars, for the Borrower to complete capital improvements to Compass Place. Attached hereto and marked as **Exhibit "L"** is a copy of an email dated May 24, 2022, from Canderel and the relevant chain of emails.

28. The need for the Borrower to make significant capital improvements to Compass Place was also identified within a "Physical Building Condition Assessment Report" commissioned by the Borrower in January 2018 and provided to Addenda in around that time as part of the Mortgage pre-funding requirement. This report outlined observable deficiencies within the Compass Place building and opined that the total estimated remediation costs over a 10-year period amounted to $4,043,500. Attached hereto and marked as **Exhibit "M"** is a true copy of the Building Condition Assessment Report. So far as Addenda is aware, the Borrower has not made any substantial capital improvements to Compass Place since 2018.

29. Similarly, Canderel's comments around operating income or cash constraints were later reflected in financial reports provided to Addenda. For example, Canderel's October 31, 2022 Monthly Report on Compass Place stated, among other things, that Compass Place was being operated at a significant net loss, and that "vacancy & collection loss was overbudget". Attached hereto and marked as **Exhibit "N"** is a true copy of the Canderel October 31, 2022 Monthly Report (excluding appendices).

30. Eventually, after additional discussions between May 2022 and January 2023, on or about February 2, 2023, Addenda formally offered the Borrower a renewal of the Loan and Mortgage, proposing a

further three-year term and associated extension of the Maturity Date until March 1, 2026. Attached hereto and marked as **Exhibit "O"** is a true copy of the mortgage renewal offer.

31. In the meantime, Addenda agreed to temporarily extend the Maturity Date to March 1, 2023, and subsequently to April 1, 2023, to allow the Borrower to consider the renewal offer.

32. Ultimately, by email of March 31, 2023, Canderel (on behalf of the Borrower) advised that it was not accepting the mortgage renewal offer. Canderel advised they and/or the Borrower would "cooperate and act reasonably with any operational transitions". Attached hereto and marked as **Exhibit "P"** is a true copy of the correspondence received from a representative of the Borrower.

33. As a result, the Mortgage matured on April 1, 2023. The Borrower failed to repay the Loan or Mortgage in full on April 1, 2023, or make any other payment on April 1, 2023.

THE BORROWER'S DEFAULTS

34. In light of the foregoing, the Borrower has defaulted on its obligations under the Mortgage by failing to repay the Loan by the Maturity Date of April 1, 2023. By extension, the Borrower defaulted under the Security Agreement.

35. The Borrower is also in default of the Mortgage, and the Security Agreement, given that:

    (a) the Borrower has failed to take good and reasonable care of the building on the Mortgaged Lands, maintain and keep the building in good order, repair and condition, and promptly make all required or necessary repairs and replacements that a prudent owner would; and

    (b) in Addenda's opinion, there has been a material deterioration in the financial condition of the Borrower as a result of its failure to repay the Loan and Mortgage, its inability to operate Compass Place profitably, and its apparent increasing vacancy and collection issues. I also observe that a current Certificate of Title for the Mortgaged Lands (attached hereto as **Exhibit "D"** as noted earlier) lists a builders' lien registered against the lands in January 2023 and a certificate of *lis pendens*.

36. Consequently, by letter dated April 10, 2023, Addenda issued a formal demand for payment to the Borrower and enclosed a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"). Attached hereto and marked as **Exhibit "Q"** are true copies of the said demand and notice.

37. By letter dated April 10, 2023, Addenda also issued a formal demand for payment to the Guarantor and enclosed a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA. Attached hereto and marked as **Exhibit "R"** are true copies of the said demand and notice.

38. Neither the Borrower nor Canderel made the payment demanded, or otherwise brought the Loan, Mortgage, or Security Agreement into good standing.

39. As at April 28, 2023, there will be justly and truly owing to Addenda under and by virtue of the Loan and Mortgage the sum of $12,809,715.97, plus interest and costs continuing to accrue thereon. A Payoff Statement is attached hereto and marked as **Exhibit "S"**.

NEED FOR A RECEIVER

40. In the present circumstances, Addenda has lost faith and confidence in the management of the Borrower to prudently or adequately protect Addenda's first-ranking security interest in the Mortgaged Lands and in the collateral situated on the Mortgaged Lands.

41. Addenda does verily believe that it is just and convenient, and indeed necessary, to appoint a Receiver over all of the Borrower's property to prevent further loss and prejudice to Addenda. Among other things, I note that:

    (a) the tenuous financial condition of the Borrower jeopardizes its ability to carry out necessary capital improvements and protect the value of Addenda's security;

    (b) the Borrower is apparently not paying other creditors, such as the builders' lien claimant, which threatens Addenda's security;

    (c) the Borrower's own reporting calls into doubt its ability to adequately lease Compass Place and collect rents;

    (d) so far as Addenda can determine, the Borrower has no equity remaining in the Mortgaged Lands. In particular, the 2023 Edmonton tax assessed value (a copy of which is attached hereto as **Exhibit "T"**), shows a tax assessed value of $11,287,000 compared with a current debt balance of $12,809,715.97, as indicated above. Thus, Addenda is now the primary economic stakeholder of the Borrower's Property;

(e) the Borrower is insolvent, given that it has failed to repay the Loan and Mortgage, which have matured and are due and owing; and

(f) Addenda is entitled to seek the appointment of a Receiver over the Mortgaged Lands, and over the collateral on the Mortgaged Lands, pursuant to the Mortgage and Security Agreement.

42. Addenda believes the appointment of the Receiver will be the most effective and efficient way to realize on the value of its security and minimize the costs associated with that process.

43. Addenda seeks that MNP be appointed as Receiver over all the Borrower's Property. MNP is a licensed insolvency trustee with considerable experience in similar matters, and I understand that MNP has consented to act as Receiver.

44. I make this Affidavit in support of an Order appointing MNP as Receiver over all of the Property of the Borrower and for no other purpose.

SWORN BEFORE ME at Regina in the Province of Sask, this 27th day of April, 2023)

SAVVAS PALLARIS
SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

This is **EXHIBIT "A"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Government of Alberta

Trade Name / Partnership Search
Corporate Registration System

Date of Search: 2023/03/27
Time of Search: 03:23 PM
Search provided by: BORDEN LADNER GERVAIS LLP
Service Request No: 39437069
Customer Reference No: 444689.01

Registration No: LP16931917
Current Business Name: 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP
Status of Business Name: Active
Trade Name / Partnership Type: Limited Partnership
Date of Registration: 2012/08/03 YYYY/MM/DD
Home Jurisdiction: ALBERTA

Current General Partner:

Last/Legal Entity Name: 112 STREET NW EDMONTON PARTNERS GP INC.
Street: 1100, 225 - 6TH AVENUE S.W., BROOKFIELD PLACE
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2
Email Address: CORPAB@LAWSONLUNDELL.COM

Other Information:

Filing History:

List Date	Type of Filing
2012/08/03	Register Limited Partnership
2012/08/15	Amend Limited Partnership
2019/09/23	Update Declarant / Partners / Attorneys

Attachments:

Attachment Type	Microfilm Barcode	Date Recorded (YYYY/MM/DD)
Certificate of Limited Partnership (AB)	10000407109494533	2012/08/03
Notice to Amend	10000107103785276	2012/08/15

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.

Government of Alberta

Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2023/03/27
Time of Search: 03:22 PM
Search provided by: BORDEN LADNER GERVAIS LLP
Service Request Number: 39437060
Customer Reference Number: 444689.01

Corporate Access Number: 2016907004
Business Number: 800420283
Legal Entity Name: 112 STREET NW EDMONTON PARTNERS GP INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2012/07/20 YYYY/MM/DD

Registered Office:
Street: 1100, 225 - 6TH AVENUE S.W., BROOKFIELD PLACE
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

Records Address:
Street: 1100, 225 - 6TH AVENUE S.W., BROOKFIELD PLACE
City: CALGARY
Province: ALBERTA
Postal Code: T2P1N2

Email Address: CORPAB@LAWSONLUNDELL.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
SIMPSON	CAROLYN	E.	LAWSON LUNDELL LLP	1100, 225 - 6TH AVENUE SW, BROOKFIELD PLACE	CALGARY	ALBERTA	T2P1N2	CORPAB@LAWSONLUNDELL.COM

Directors:

Last Name: FLICKER
First Name: CHARLES
Street/Box Number: 362 AVENUE GROSVENOR
City: WESTMOUNT
Province: QUEBEC
Postal Code: H3Z2M2

Last Name: HAWRYSH
First Name: DAVID
Street/Box Number: 430 PRINCE ARTHUR STREET WEST, APARTMENT 3

City: MONTREAL
Province: QUEBEC
Postal Code: H2X1T2

Voting Shareholders:

Last Name: CANDERAL MANAGEMENT INC./GESTION CANDEREL INC.
Street: 2000 PEEL STREET, SUITE 900
City: MONTREAL
Province: QUEBEC
Postal Code: H3A2W5
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ANNEXED SCHEDULE A IS INCORPORATED IN THIS FORM
Share Transfers Restrictions: NO SECURITIES OF THE CORPORATION, OTHER THAN NON-CONVERTIBLE DEBT SECURITIES, SHALL BE TRANSFERRED UNLESS AUTHORIZED BY THE DIRECTORS OF THE CORPORATION.
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: THE ANNEXED SCHEDULE B IS INCORPORATED IN THIS FORM

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP	LP16931917

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2021	2021/11/18

Outstanding Returns:

Annual returns are outstanding for the 2022 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2012/07/20	Incorporate Alberta Corporation
2018/08/29	Change Director / Shareholder

2019/09/13	Change Address
2020/02/21	Update BN
2021/11/18	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2022/03/04	Change Agent for Service

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Other Rules or Provisions	ELECTRONIC	2012/07/20
Share Structure	ELECTRONIC	2012/07/20

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.

Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2023-03-27 5:24 PM	(AAAA-MM-JJ) **Date et heure du Profil corporatif**

CORPORATE INFORMATION / RENSEIGNEMENTS CORPORATIFS

Corporate name		**Dénomination**
	CANDEREL ENTERPRISES INC.	
	ENTREPRISES CANDEREL INC.	
Corporation number	309848-6	**Numéro de société ou d'organisation**
Business number	141423079RC0001	**Numéro d'entreprise**
Governing legislation		**Régime législatif**
	Canada Business Corporations Act (CBCA) - 1994-12-19	
	Loi canadienne sur les sociétés par actions (LCSA) - 1994-12-19	
Status		**Statut**
	Active	
	Active	

REGISTERED OFFICE ADDRESS / ADRESSE DU SIÈGE

2000 PEEL ST, SUITE 900
MONTREAL QC H3A 2W5
Canada

ANNUAL FILINGS / DÉPÔTS ANNUELS

Anniversary date (MM-DD)	12-19	(MM-JJ) **Date anniversaire**
Filing period (MM-DD)	12-19 to/au 02-17	(MM-JJ) **Période de dépôt**

Status of annual filings / **Statut des dépôts annuels**

Not due	2023	N'est pas dû
Filed	2022	Déposé
Filed	2021	Déposé

Date of last annual meeting (YYYY-MM-DD)	2012-10-03	(AAAA-MM-JJ) **Date de la dernière assemblée annuelle**

Type / **Type**

Non-distributing corporation with 50 or fewer shareholders

Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins

DIRECTORS		ADMINISTRATEURS
Minimum number	1	**Nombre minimal**
Maximum number	15	**Nombre maximal**
Current number	1	**Nombre actuel**
JONATHAN WENER	1250 Greene Ave, Apt. 601, Westmount QC H3Z 2A3, Canada	

CORPORATE HISTORY / HISTORIQUE CORPORATIF

Corporate name history (YYYY-MM-DD) (AAAA-MM-JJ) **Historique de la dénomination**

1994-12-19 to / à 2011-11-09	3098486 CANADA INC.
2011-11-09 to present / à maintenant	CANDEREL ENTERPRISES INC.
2011-11-09 to present / à maintenant	ENTREPRISES CANDEREL INC.

Certificates issued (YYYY-MM-DD) (AAAA-MM-JJ) **Certificats émis**

Certificate of Incorporation	1994-12-19	Certificat de constitution en société
Certificate of Amendment	2011-11-09	Certificat de modification
Amendment details:		Renseignements concernant les modifications aux statuts :
Corporate name		Dénomination sociale

Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.

Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.

Documents filed (YYYY-MM-DD) (AAAA-MM-JJ) **Documents déposés**

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.

Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.

This is **EXHIBIT "B"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

ADDENDA

CAPITAL

1920, College Avenue
Regina (Saskatchewan) S4P 1C4
306 347-6276

addenda-capital.com

INITIALS

October 30, 2017

112 ~~112th~~ Street NW Edmonton Partners LP
c/o Canada ICI Capital (Morrish, Leitch) Corp.,
430, 1040 West Georgia Street
Vancouver, BC
V6E 4H1

Attention: Jim Leitch

Dear Sir:

Re: First Mortgage Financing for 10050 – 112 Street NW, Edmonton Alberta (the 'Property')

Your application for a first mortgage loan has been approved by Addenda Capital Inc., ("the Lender") subject to the terms and conditions set forth in this commitment letter (the "Commitment")

1.) PURPOSE AND LOAN TYPE

A first mortgage loan to refinance the property.

2.) LENDER

ADDENDA CAPITAL INC.

The Borrower acknowledges and agrees the Lender will be providing mortgage management services on behalf of an investor client(s).

3.) BORROWER

112 ~~112th~~ Street NW Edmonton Partners LP

INITIALS

4.) GUARANTOR(S)

The Corporate guarantee and all other obligations hereunder of Canderel Enterprises Inc. (the "Guarantor") limited to $4,000,000. shall be

The Borrower and Guarantor jointly and severally covenant and agree to satisfy all the terms, conditions, and requirements herein contained before any advances are made. The obligation of the Borrower and Guarantor to make payment under the mortgage and perform all other obligations hereunder shall be deemed to be joint and several. ~~(hereinafter called the "Guarantor")~~ The borrower ~~and~~ the beneficial owner being the sale of ~~more than 20% of~~ the Property shall indemnify and save harmless the Lender, from all liabilities, obligations, claims demands, losses, damages, actions proceedings, costs and expenses arising from:

(i) environmental contamination of the Property in violation of applicable laws;

INITIALS

INITIALS

(ii) all fraud, material misrepresentation and the misapplication of funds by the Mortgagor ~~or its agents~~;
(iii) insufficient funds received to repay the mortgage debt from any insurance proceeds as a result of a claim on any insurance policy required as security for the Property.

The indemnity shall be unlimited as to time or amount, and shall be satisfactory to the Lender and its solicitors.

5.) MORTGAGE SECURITY

Mortgage security shall consist of the following:

a) A Conventional First Mortgage charge over the lands and building located at 10050 – 112 Street NW, Edmonton Alberta known as Compass Place;

b) The Joint and Several Guarantees and Postponement of Claims of the Borrower to 100%, and Canderel Enterprises Inc. limited to $4,000,000;

c) A First General Security Agreement as collateral security on equipment (including air conditioning units, heating equipment, etc.) and all other personal property which will be used in connection with this Property; together with a financing statement in respect of the security interest created by the general security agreement which shall be registered under the provisions of the Personal Property Act. The equipment must be fully paid for and insured against all risks including theft and satisfactory evidence of insurance must be submitted to us;

INITIALS

d) A Specific Assignment of Leases (acknowledged by the tenant) and General Assignment of Leases and Rents; **(Acknowledgement of the Specific Assignment of Lease limited to tenants of over 5,000 sq. ft. to include wording such that the lease cannot be renegotiated, prepaid or cancelled without the lender's consent) related to the Property;** the Borrower will agree that in exchange for typical non-disturbance language. in any material respect not to be unreasonably withheld

e) An Assignment of all property insurance policies;

f) Such other security with respect to the Property as may be deemed necessary by the Lender and/or the Lender's solicitor, acting reasonably.

Note : All registrations at the PPSA are to be for the amortization of the loan.

6.) MUNICIPAL ADDRESS

10050 – 112 Street NW, Edmonton, Alberta

7.) LEGAL DESCRIPTION:

Plan [redacted]B, Block 12, Lots 61-63 excepting thereout, all that portion which lies north west of a straight line drawn from a point in the west boundary ten (10) feet south from the northwest corner thereof, to a point in the north boundary ten (10) feet east from the northwest corner thereof in Lot 61, excepting thereout all mines and minerals rights *to be confirmed by legal counsel*

8.) LOAN AMOUNT

The loan of $14,600,000 (FOURTEEN MILLION SIX HUNDRED THOUSAND DOLLARS).

9.) TERM

5 (*FIVE*) years from the Interest Adjustment Date.

10.) AMORTIZATION

The mortgage shall be amortized over 25 (*TWENTY FIVE*) years from the Interest Adjustment Date.

11.) INTEREST ADJUSTMENT DATE

INITIALS

The later of December 1, 2017, or the first day of the month following the month in which the advance of funds (net of deficiency holdbacks) is made. ~~The Lender shall be the sole judge as to when the "final" advance has been made or deemed to have been made for the purpose of the Interest Adjustment Date~~.

12.) INTEREST RATE

The annual interest rate shall be the sum of the applicable Government of Canada Bond Yield plus 2.10% (210 basis points) calculated semi-annually not-in-advance (30/360 day count).

INITIALS

The " Rate Fix Date" shall be the ~~tenth~~ first business day ~~prior to~~ after the Funding Date is confirmed in accordance with Section 18. The date the funds are advanced to the Borrower (the "Funding Date"). Addenda will provide notification to the Borrower once the rate has been set.

13.) MONTHLY PAYMENTS

Equal instalments of principal and interest based on the above amortization period shall be payable on the first day of each month during the Term. The first instalment is payable on the first day of the month ("Due Date") following the Interest Adjustment Date and the last, on the maturity date of the loan.

Until the Interest Adjustment Date, simple interest on the loan advanced, calculated daily to the Interest Adjustment Date, will be deducted from the amount of the advance.

14.) REALTY TAXES

In addition, during the Term of the Loan, the Borrower shall also provide to the Lender, on the Due Date, an amount stipulated by the Lender sufficient to pay the annual taxes of the Property when due and payable. Until there is a default hereunder or under the Mortgage, the Lender shall from time to time make payments to the taxing authority when taxes are due. Where the Lender has made tax payments in excess of those collected, such excess amount shall be payable on demand and shall be secured by the Mortgage and bear interest at the interest rate under the Mortgage. After default the Lender may, at its sole option, pay taxes

with respect to the Property and such payments will be added to the principal balance of the Mortgage. The Lender reserves the right to adjust, from time to time, the estimated monthly tax amount payable, based on taxes actually levied against the Property. At the Lender's option, it may withhold from the advance of funds a sum sufficient to create the foregoing fund for the first year of the term.

The Borrower has requested and the Lender has agreed to waive the requirements for a tax component subject to the attached 'Tax Waiver' letter as per Schedule 'E'

15.) **PREPAYMENT OF MORTGAGE**

However, the mortgagor may pre-pay this Loan in full subject to Yield Maintenance fee payment as per below.

INITIALS

Notwithstanding anything else contained herein to the contrary, the mortgagor shall have no right to prepay this Loan in part. The Lender shall be under no obligation to grant a discharge of the Mortgage until such time as it has received all amounts owing to it, including without limitation, all outstanding principal and interest and the Yield Maintenance Fee.

YIELD MAINTENANCE FEE:

pre-payment in full

If the principal becomes payable as a result of a breach, default or acceleration then in addition to the principal, interest and other moneys payable under the Mortgage, the Mortgagor shall pay the Lender an amount (the "Prepayment Amount") equal to the greater of:

INITIALS

a.) The amount by which the Canada Yield Price (as defined herein) exceeds the principal and interest then outstanding under the Mortgage ~~plus an additional .5% of the outstanding balance~~; or

b.) Three month's interest on the principal then outstanding under the Mortgage ~~plus an additional .5% of the outstanding balance~~.

The obligation of the Mortgagor to pay the foregoing amount is in addition to and not in substitution for the obligation of the Mortgagor to pay all other amounts which become payable under the terms of the Mortgage after or as a result of the breach, default or acceleration.

In this Commitment,

"Canada Yield Price" means the present value (calculated applying a discount rate equal to the Government of Canada Yield (as defined herein) as determined by the Lender as at a date selected by the Lender which in the event of the breach, default or acceleration, is not more than two (2) business days prior to the date on which the Mortgage becomes due and payable, of all payments of principal and interest which would have become due in accordance with the terms of the mortgage but for the breach, default or acceleration (including any principal balance payable on the maturity date of the Mortgage.)

"Government of Canada Yield" means the effective yield to maturity expressed as a percentage per annum calculated half-yearly not in advance which is available as at the time of its determination to a purchaser of non-callable Government of Canada bonds payable in Canadian dollars selected by the Lender and having a maturity date approximating the maturity date of the mortgage.

By accepting this Commitment, the Mortgagor acknowledges that the Prepayment Amount is a genuine pre-estimate of the liquidated damages suffered by the Lender as a result such prepayment having regard to the fact that the Lender matches mortgage investments against obligations, that the Lender is not able to immediately re-invest funds received in mortgages.

INITIALS

16.) **FUNDING DATE**

The advance is to be completed on or before ~~November 30, 2017~~ January 31, 2018 upon registration of security documentation and satisfaction of the funding conditions

17.) **CREDIT COMMITTEE APPROVAL**

This Commitment is subject to receipt of approval from the Lender's Credit Committee no later than 10 business days from acceptance of this Commitment. If approval is not received, this Commitment is null and void.

INITIALS

18.) **FUNDING REQUEST**

Once all conditions of the Commitment Letter have been met, the Lender and Borrower will confirm the actual funding date with ~~the Borrower~~ the Lender shall each other in writing, and, (no later than five (5) business days from that point) order funds and process the advance. Should the funding be delayed for whatever reason through no fault of the Lender, the Lender has the option of funding into escrow and the Borrower will be responsible for interest at the contract rate from that date forward. However, the Lender is not obligated to release the funds from escrow until all funding conditions are satisfied.

In any event the Lender will never be obligated to fund beyond the dates set out in the Funding Date clause.

19.) **DISBURSEMENT OF FUNDS**

Conditions precedent to the disbursement of funds shall include:

a.) The funds secured by the mortgage will be advanced upon title proving acceptable to the Lender and the Lender's solicitors, upon registration of the security documents as required and upon receipt from the Lender's solicitors of a satisfactory report on registration of the security documents and confirmation from our solicitors of no adverse filings concerning the Borrower in any ministry, department or agency of government which, in the Lender's solicitor's opinion, could affect the priority of the mortgage and upon fulfillment of all other terms and conditions of this Commitment.

b.) This mortgage is subject to receipt of a current appraisal from an accredited appraiser (AACI). The form and content of the appraisal, along with the appraiser, itself, will be subject to the Lenders approval. Such appraisal is to meet the minimum standards of the Appraisal Institute of Canada, and also include an analysis of replacement cost for insurance purposes. All costs of this appraisal are the responsibility of the borrower. (Received)

c.) The Lender shall receive a satisfactory Phase I Environmental Report prepared by a qualified environmental consulting firm. The review is to inspect for hazardous wastes, including, but not limited to, asbestos, PCBs,

etc., and is to include a historical land search to verify that the soil in the general vicinity is free to contaminants. The cost of the audit shall be borne by the Borrower. Furthermore, the Borrower hereby agrees to provide all information that it has with respect to environmental matters and hereby warrants to provide full disclosure in this regard to the Lender.

d.) Receipt and approval of a satisfactory Building Report, containing but not limited to discussion on structural, mechanical, electrical and roof reflecting the current condition and state of repair of the building prepared by knowledgeable engineering firm familiar with this type of property.

e.) The Lender will require satisfactory Letters of Transmittal with respect to all professional reports including, without limiting, the appraisal report, environmental report, and structural, mechanical and roof reports. A Transmittal Letter is to be issued for each report, addressed to the Lender and state that the report can be relied upon by the Lender for mortgage financing purposes.

INITIALS

f.) At all times, the Borrower is to provide professional management of the Property satisfactory to the Lender. Any change in the management of the Property shall require the prior written approval of the Lender, both as to the manager and the terms and conditions of the management agreement. The Lender acknowledges that ~~the Borrower~~ HUMBORD MANAGEMENT INC. is an acceptable manager.

g.) The Borrower warrants and represents that Schedule "F" hereto accurately summarizes the pro-forma non-residential leases and rentals relating to the Property as of the date thereof

h.) The project is to generate sufficient net operating income to generate a 1.25x D.S.C. as calculated by the Lender acting reasonably and assuming a 5% vacancy level

INITIALS

i.) Receipt of Estoppel Certificate from major tenants over ~~9,000~~ 5,000 sq. ft.

j.) Receipt, review and acceptance by the Lender of the last three years financial statements for the borrower.

k.) Receipt, review and acceptance of current credit reports for the borrower.

l.) Each and every obligation contained in this Commitment and to be performed, satisfied, or furnished by you, is a condition precedent to our obligation to advance or to continue to make advances. In the case of any advance, all conditions precedent pertaining to the advance must be performed to the Lender's satisfaction, not less than five business days prior to the scheduled date of the advance, or we shall be under no obligation to make the advance

m.) The advance of funds will be subject to a satisfactory site inspection of the project by the Lender, or its agent.

n.) The Borrower will have provided to the Lender the executed "Pre-authorized Payment' form hereinafter provided as Schedule "D".

o.) The Lender and its solicitors shall have received prior to closing a Building Survey Certificate (Real Property Report) prepared by a registered surveyor; or title insurance with the lenders policy of title insurance with respect to the loan herein which will be arranged by the solicitor for the Lender with First Canadian Title, the cost of which policy will be paid by the Borrower out of the advance of the loan.

20.) INSURANCE

INITIALS

The Borrower shall arrange for Hazard Insurance coverage and keep insured the project and all insured property from time to time forming part of the mortgaged premises on the terms and conditions outlined in Appendix 'B'. Actual policies (or Certificates of Insurance ~~if approved by the lender~~) are to be received prior to funding, and renewal or replacement of same to be received prior to expiry. Should the Lender not have proof of renewal prior to expiry, the Lender may, at its sole option, place insurance in an amount sufficient to cover the Lender's exposure with respect to the Property and the outstanding debt and any premium and administration fee added to the principal balance of Mortgage.

21.) ENVIRONMENTAL

The Lender hereby retains the right to refuse to advance funds if at any time prior to the advance there is an adverse material change relating to environmental matters or risk to the Property.

22.) DOCUMENTATION

The Borrower agrees and acknowledges that the documentation in this letter of Commitment required to finalize this transaction is not all inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation relating to the Property as the Lender may require and/or our solicitors deem advisable.

23.) ELECTRONIC TRANSMISSION

Delivery of an executed counterpart of this instrument, or any amendment thereof, by electronic means, including by facsimile transmission or by electronic delivery in portable document format (« .pdf ») shall be equally effective as delivery of a manually executed counterpart hereof.

24.) EXPENSES

If the Loan Amount is disbursed; or if the loan advance fails to be completed due to the Borrower's default pursuant to Cancellation of Commitment below; and notwithstanding retention of a commitment fee by the Lender, all of the Lender's reasonable costs and expenses relating to the Loan, including legal costs, travel costs and any costs and expenses incurred by the Lender due to proceedings under the Bankruptcy and Insolvency Act relating to the Borrower or the Guarantor are the responsibility of, and shall be paid by, the Borrower and the Guarantor, if any, who shall also be responsible for any commission or finder's fee. Such costs and expenses may be added to the then outstanding principal balance of the mortgage and shall bear interest at the interest rate under the Mortgage.

25.) **PAYMENT OF FEES**

It is understood that the Lender will not be liable for any legal registration, re-registration, engineering, environmental, appraisal or insurance consulting fees, or any other expenses incidental to the completion of this loan or any modification, renewal or assumption thereof, if this transaction is proceeded with or not. Any fees which are the Borrowers responsibility, but are paid by the Lender shall, after the advance and until the Lender is reimbursed, bear interest at the mortgage rate until paid.

26.) **COMMITMENT FEE**

As evidence of good faith, you agree to pay us a refundable commitment fee of $125,000 with your acceptance of this Loan Commitment. The commitment fee will be fully earned by us when paid, but will be refunded to you upon and as consideration for advancing of the funds contemplated under the Commitment provided the advance is complete by date set out in the Cancellation Clause below. In the event this Commitment is cancelled by the Lender pursuant to the Cancellation Clause, the commitment fee shall be retained by the Lender as liquidated damages, and not as a penalty, without prejudice to the right of the Lender to claim such further and other damages as it may sustain by reason of the occurrence of any of the events detailed in the subparagraphs (a) and (b) of paragraph of Cancellation Clause. It is agreed that the commitment fee represents the reasonable costs of the Lender's work and expenses in underwriting this loan and that is not a penalty. In addition to the Commitment fee, in the event of cancellation of this Commitment and the Interest Rate has been fixed, the Lender shall be entitled to be paid by the Borrower an amount equal to the present value of the unadvanced portion of the Loan Amount multiplied by the Interest Rate Differential, multiplied by the number of years of the term of the mortgage as set out herein.

NOTE: When the disbursement of the advance has been completed, the commitment fee shall be returned to the **Borrower** without interest along with the advance of funds. Should you wish the commitment fee refund to be payable to a third party, please provide written direction to do so complete with payee and mailing address.

27.) **CANCELLATION OF COMMITMENT**

This Commitment may be cancelled by the Lender, at its sole option, if:

a.) Due to failure of the Borrower or the Guarantor, if any, to satisfy any of the conditions or requirements hereof in any material respect; or

b.) The Borrower is in breach of any covenants, representations, or warranties herein in any material respect.

c.) The Loan remains unadvanced through no fault of the Lender by January 31, 2018

Note: If an extension of this commitment is provided (at the Lender's option only), an extension fee will be required to compensate the Lender for loss of yield on the non-advanced portion of the loan to the extension date. As the rate has

INITIALS

not been set, the fee will be based upon the RBC prime lending rate for the term of the extension, but in any event not less than $1,000.00.

28.) PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCIAL ACT

Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower, the Guarantor and any third party involved in the transaction, and for information with respect to the source of funds used in connection with the Borrower's equity in the Property. The Borrower and the Guarantor hereby covenant and agree to provide, prior to funding, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

The Borrower shall complete the attached Appendix 'C' Loan Information Form including, without limitation, the requisite confirmation of the source of the Borrower's downpayment as described in the Appendix to the Schedule, if the Loan is financing a purchase.

The Lender acknowledges that the above information is not required if the beneficial owner of the Borrower is a Canadian public company or Canadian registered pension plan.

29.) ACKNOWLEDGEMENT AND PRIVACY ACT CONSENT

The Borrower acknowledges that any personal information requested by the Lender may be disclosed to the investor client, or third party agents of the Lender if required for legitimate purposes connected to the administration of this mortgage.

Note: In order to properly administer this mortgage, we require that the Attached Schedules be signed at the time of execution of this Commitment.

The Borrower(s) hereby jointly and severally acknowledge and agree that the Lender may collect, use, and maintain the personal information contained herein and as may be contained in any mortgage application forms and in any other documents or statements presented in support of this loan, about the Borrower(s) and the subject mortgage, for the purposes of (i) to determine your financial situation; (ii) to determine your initial and ongoing eligibility for mortgage services; (iii) to administer or service your mortgage; (iv) to arrange for and in connection with the financing of our mortgage business; and (v) as otherwise necessary for the provision of mortgage services. Borrower(s) further jointly and severally agree that the Lender may disclose the personal information contained herein and as may be contained in any mortgage application forms and in any other documents or statements presented in support of this loan about the Borrower(s) and the subject mortgage, to (i) credit bureaus, credit reporting agencies, mortgage insurers and financial institutions to confirm your financial situation and your initial and ongoing eligibility for mortgage services; (ii) persons retained to administer or service your mortgage for the purpose of such administration or servicing; (iii) persons (or their permitted assignees) involved in the financing or securitizing, or facilitation of the financing or securitizing, of our mortgage business for the purpose of their providing or facilitating such financing or securitizing (which may include the administration for servicing of

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your mortgage by them or their agents); and (iv) other persons as necessary for the provision of mortgage services to you.

This consent shall inure to the benefit of any assignee of this mortgage in due course. This consent shall be the Lender's and any assignee's good and sufficient authority for its collection, use, maintenance and disclosure of the Borrower(s)' personal information provided herein about him/her/them is accurate and correct in all material respects. Any updates or corrections to the Borrower(s)' personal information and any questions or issues regarding the collection, use, maintenance or disclosure or the Borrower(s)' personal information hereunder must be made in writing, addressed to:

Addenda Capital Inc.
1920 College Avenue, Main East
Regina, Saskatchewan S4P 1C4

Or to such other address and contact as the Lender or any assignee may advise.

30.) STANDARD REPRESENTATIONS AND TERMS

The Appendix 'A', "Standard Clauses and Terms of Commitment", forms part of this Commitment, as well as the attached Schedules and may be enforced or waived only by the Lender. Waiver of any of the Standard Clauses and Terms of Commitment shall not affect any other terms of this Commitment, or constitute a waiver of any of the Borrower's obligations.

INITIALS

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Our commitment to make this loan will not become effective until you acknowledge acceptance of all terms and conditions by signing a copy of this letter and returning it to this office by not later than 4:30 p.m., November 9, 2017, together with a cheque in the amount of $125,000, representing the commitment fee.

See Rider A attached as page 10A, which forms part of this Commitment.

Yours very truly,

ADDENDA CAPITAL INC.

Gregory J. Dwyer CFA
Vice President, Mortgage Lending

CONTINUED ON NEXT PAGE

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RIDER A

Notwithstanding anything to the contrary in this Commitment, this Commitment and the obligations of the Borrower and Guarantor hereunder are subject to the Borrower obtaining the requisite approval of this Commitment from its limited partners on or before the date that is ten (10) days after acceptance of this Commitment by the parties, failing which this Commitment will be null and void and of no further force or effect, and thereupon the Commitment Fee shall be immediately returned to the Borrower without deduction. The forgoing subject condition is for the sole benefit of the Borrower and may only be satisfied or waived by the Borrower by way of written notice to the Lender.

INITIALS

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ACCEPTANCE

The foregoing Commitment and all the terms and conditions are hereby accepted by us this 9th day of November, 2017.

BORROWER
112[redacted] Street NW Edmonton Partners LP by its general partner 112 Street NW Edmonton Partners GP Inc.

Per: _____

Per: _____

INITIALS

GUARANTOR:
Canderel Enterprises Inc.

Per: _____

Per: _____

APPENDIX A

STANDARD CLAUSES AND TERMS OF COMMITMENT

1.) SALE OF PROPERTY

Any change of ownership (beneficial or otherwise) or control of the Borrowing Company, or any change of ownership (beneficial or otherwise), control, transfer or sale of the Property, or part thereof, or that of any person or entities providing covenants to this loan, any change in the effective voting control of the Borrower; or the Borrower amalgamate or merge without the Lender's prior written consent which consent shall not be unreasonably withheld, shall at the discretion of the Lender, constitute a default under this loan and the loan shall become immediately due and payable. The foregoing will not apply to transfers between beneficial owners or any change in ownership or voting control of the Borrower which is affected in connection with such transfers. The Lender may require as one of the terms for giving consent that the purchaser shall execute an Assumption Agreement in the Lender's favour.

The Borrower will provide reasonable notice to the Lender of any anticipated or impending transaction which would require the consent of the Lender under this Section. The Borrower will also provide such reasonable information as the Lender may require determining whether or not to grant its consent thereto.

2.) SOLICITORS

The firm of Webster Hudson & Coombe #510 - 1040 West Georgia Street, Vancouver, BC, Attention: Allan Coombe selected by us shall be used to draw the security documentation and any other documents related to this transaction and to disburse advances. All investigations and registrations shall be to the satisfaction of us and our solicitors prior to each advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

The Borrower and Guarantor shall execute such documents, including the mortgage and other security agreements required to be executed by them, in form and to contain provisions protecting the Lender's rights as our solicitors shall reasonably require. Notwithstanding the generality of the foregoing, our solicitors shall be furnished with any affidavits, financial statements, tenant estoppel certificates, acknowledgements, directions, and other information relating to the mortgaged Property (or income thereof), including corporate opinions of the solicitor for the Borrower indicating full compliance with all the representations and conditions as provided herein as either the Lender or its solicitors shall reasonably request.

Borrower's Solicitor:

Name: Peter Tolensky

Firm: Lawson Lundell LLP

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Phone No: 604-631-9125 Email ptolensky@lawsonlundell.com

3.) **CANCELLATION OF ADVANCE**

INITIALS

If all or a portion of the loan amount is advanced into our solicitor's trust account as the result of a written request or concurrence of the Borrower or their solicitor and are not subsequently disbursed for any reason through no fault of the Lender, then the Borrower shall pay to the Lender interest accrued on the amounts so advanced to our solicitor at the rate provided in the mortgage. If, pending disbursement of the advance, the Lender's solicitors place the monies in an interest bearing deposit, any interest accruing from such deposit will be credited to the Borrower after payment has been made to the Lender of the interest required by this paragraph.

4.) **PLAN APPROVAL**

It is a condition of the loan and the disbursement of the funds that the existing land and building complies with all federal, provincial and municipal provisions and governmental and regulatory authorities and there shall be no other work orders or notices of deficiencies whatsoever against the Property.

5.) **ZONING AND USE**

We shall require evidence that the lands are zoned for the use intended and that the Property complies with all current zoning regulations.

6.) **LICENSING IN COMPLIANCE WITH ALL LAWS AND REGULATIONS**

As a condition of the Commitment, the loan documents shall provide that the mortgage properties are to be operated at all timed in accordance with all applicable laws and ordinances, whether municipal, county, provincial or federal, including the compliance in full with any legislation and regulation in respect of the handicapped. A default by a tenant in this regard shall not be a default under this commitment or any loan documents so long as the Borrower after becoming aware of any such default is diligently endeavouring to cause the tenant to remedy such default.

7.) **SURVEY**

A survey (Real Property Report) together with a Survey Certificate prepared by a registered Land Surveyor approved by the Lender in respect to the lands is to be furnished to us at your expense. Such survey is to be satisfactory to us and, without limiting the generality of the foregoing, is to show:

- the boundaries and dimensions of the lands;
- the location of the building(s) and any other improvement on the lands;
- the names and municipal block numbers of adjacent street;
- location of all registered easements, right-of-way, etc.;
- no encroachments by or onto the project lands.

INITIALS

OR Title Insurance as per section 19(a)

8.) FINANCIAL INFORMATION

a.) Until the repayment of the Loan, the Borrower shall provide the Lender, within 120 days after the end of each fiscal year for the Borrower, or more often if requested by the Lender, a detailed notice to reader financial statement of the Borrower including a separate income and expense statement for the Property, an operating statement and an updated rent roll containing relevant lease terms for the Property, all satisfactory to the Lender in form and content.

b.) The Borrower shall further cause the Guarantor to provide, a notice to reader financial statement within 120 days after the end of each fiscal year, such statements to be in form and content satisfactory to the Lender. Non-receipt after one reminder will be subject to an administration fee.

c.) The Borrower authorizes, and shall, if required by the Lender, cause the Guarantor to authorize, the Lender to obtain such financial information as the Lender may require. If the Borrower does not provide information as noted and more than one reminder letter as required, an administration fee will be due and owing.

9.) ADDITIONAL EVENTS OF DEFAULT

The following shall represent events of default under the mortgage:

a.) An event of default shall occur if the project is abandoned for a period exceeding fifteen consecutive days and the Borrower fails to rectify the abandonment within fifteen days after the notice has been given by the Lender to the Borrower;

b.) Failure to comply in any material respect at all times with the terms and conditions of this Commitment and security documentation;

c.) Failure of the Borrower to perform and do all such things that is necessary to reasonably maintain the Property;

d.) The creation of any encumbrance ranking or purportedly ranking ahead of or pari passu with the charge to be held by the Lender except as contemplated herein;

e.) Any material deterioration in the opinion of the Lender in the financial condition of either the Borrower ~~or in the value of the Property~~;

f.) Failure to make any principal and/or interest payments as required;

g.) Failure to pay property taxes as required.

INITIALS

10.) UNREMEDIED DEFAULTS

In the event of a default or unremedied default (and the Borrower shall have a 3 day cure period after notice of default from Lender) the Lender may:

INITIALS

a.) Demand payment of the subject loan and/or commence foreclosure proceedings.

b.) Appoint a Receiver, attorn rents, take possession of the asset charged and pursue all or any remedies under the law.

11.) **NOTICE**

Any notice shall be considered given if served personally, or if mailed by prepaid registered post or couriered, addressed to Bryce Margetts of Canderel Pacific Investments Inc. at 1590 – 505 Burrard St. Vancouver, B.C. V7X 1M5, ~~or~~ and David Hawrysh of Canderel Management Inc. at #900 – 2000 Peel St., Montreal, QC H3A 2W5 ~~and in the case of the Borrower, at the address indicated in this letter~~ or be electronic transmission and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the second business date after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a business day and is received on or before 5 :00 pm. Otherwise, it will be deemed to have been received on the first business day thereafter. Each party may designate in writing a substitute address for that set forth above and which thereafter notice shall be directed to such substituted address.

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12.) **BORROWER'S REPRESENTATIONS**

If at any time before the advance of funds there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made to us by you or on your behalf, concerning the project or yours or the Guarantor's financial conditions and responsibility, then we shall, if the material discrepancy or inaccuracy cannot be rectified or nullified by you within thirty days of written notification from us, be entitled to immediately withdraw and cancel our obligations or decline to advance further funds, as the case may be, and to declare any monies then advanced, with interest, to be immediately due and payable.

13.) **MATERIAL CHANGE**

It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrowing Company and/or the Guarantor, and the Property given as security, and the Borrower's representations and warranties, shall not have suffered any material adverse change; nor shall there be anymaterial action, suits, or pending proceedings of which the Borrower has knowledge; and that no event shall have occurred, which materially and adversely affects the ~~whole or part of the~~ value of the mortgaged property or the financial position of any of the Guarantor.

INITIALS

14.) **NON-MERGER**

Your obligations contained in the Commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this letter) shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and you agree that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of our

mortgage and other security documentation shall be deemed to be incorporated in and form part of this Commitment, except to the extent provided for in this letter. Should there be any conflict between the terms of this Commitment Letter and the registered security documentation, this letter will take precedence.

INITIALS

15.) **NO FURTHER ENCUMBRANCES**

The Borrower shall not, without the Lender's Prior written approval, which may be withheld in its sole discretion, further charge or otherwise encumber the Property or any interest therein. This provision shall not prohibit the Borrower from (financially) leasing the Property in the ordinary course of business.

16.) **NO AGENCY**

The Borrower acknowledges that the Lender is not acting as the Borrower's agent or otherwise in any fiduciary capacity in relation to the Borrower in connection with this loan.

17.) **WAIVER**

The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment and the mortgage documentation.

18.) **MORTGAGE REGISTRATION**

Neither preparation nor registration of any of the documents contemplated shall bind the Lender to advance funds until all conditions of this letter have been satisfied by the Borrower.

19.) **INTERPRETATION OF CONTRACT**

This agreement shall be interpreted in accordance with the laws of the Province in which the project is located and shall be treated in all respects as a contract of that province.

20.) **ASSIGNMENT OF COMMITMENT**

The Borrower shall not assign, transfer or otherwise deal or dispose of its rights hereunder without the prior written approval of the Lender.

21.) **ADVANCE CONDITIONS**

All conditions of the obligations of the Lender to make advances are imposed solely for the benefit of the Lender and its assigns (and/or its investor client) and any or all of such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its discretion it deems it advisable to do so.

INITIALS

22.) **RECEIPT OF FUNDS**

Any receipt of funds from the Borrower must be received by ~~11 am~~ 2pm 11:AM (Saskatchewan Time) on a business day, or it will be deemed for the calculation of interest to have been received on the next business day.

23.) **UNDERLYING CONDITIONS**

During the tenure of this loan, the Borrower shall:

INITIALS

a.) Allow the Lender and its agents reasonable access to the property held as security at all times, subject to the rights of tenants.

b.) Provide the Lender with the right but not the obligation to pay any liens, claims or expenses associated with the Property that the Lender feels are necessary to preserve his interest in the property and to provide the Lender with the right to consider all such payments as a debt of the Borrower.

c.) Perform all necessary acts to as required by law to maintain the Property in a satisfactory manner.

d.) Ensure that the Property held as security is not further encumbered without the prior written consent of the Lender. The foregoing shall not apply to notices of lease of any tenant of any part of the Property.

e.) Authorize and consent to such credit investigations as the Lender feels is necessary.

24.) **SUCCESSORS AND ASSIGNS**

This Commitment shall, subject to the provisions herein, enure to the benefit of and be binding upon our respective successors, administrators, benefactors, heirs and permitted assigns.

25.) **TIME OF ESSENCE**

Time shall be of the essence in all respects in this agreement.

26.) **AMENDMENTS TO COMMITMENT**

No term or condition of this Commitment can be waived or varied orally by any officer, employee or agent of the Lender. Any amendments to this Commitment must be in writing and signed by an officer of the Lender, duly authorized for this purpose.

27.) **ENVIRONMENTAL MATTERS**

a.) A warranty and representation in form satisfactory to the Lender that to the best of their knowledge and relying on the Environmental Audit, the Property and its existing prior uses comply with all laws, regulations,

orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation of the Property (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

i. the property has never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise;

ii. all hazardous substances used in connection with the business conducted at the Property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws.

INITIALS

iii. no hazardous substances other than in strict compliance with Environmental Laws have been released into the environment or deposited, discharged, placed or disposed of at, on or near the property as a result of the conduct of business on the Property; and

iv. no notices of any violation of any matters referred to above relating to the property or its use have been received by the Borrower and there are no directions, writs, injunctions, orders or judgements outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Property nor is there any basis for such law suits, claims, proceedings, or investigations being instituted or filed.

b.) For the purposes of this Commitment letter, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the Environmental Protection Act or any applicable Environmental Law. It shall be an event of default under the loan if the foregoing representation and warranty shall be false or misleading at the time given.

c.) The Borrower further acknowledges and agrees to:

i. Provide the Lender with copies of all communication received from environmental agencies with respect to the Property, whether written or verbal.

ii. Provide the Lender with copies of all communications received by any person relating to an environmental claim, whether written or verbal.

~~iii. It shall become an event of default if at any time the Property is designated as a contaminated site or non-compliance with an environmental requirement (such as remediation order).~~

INITIALS

	YH

iv. The Borrower shall provide an Environmental Indemnity to the benefit of the Lender. Said Indemnity shall survive the repayment and discharge of the loan. A separate Environmental Indemnity Agreement may be required at the Lender's option

v. Subject to the provisions of any lease ~~prefunding to~~ the Property, the Lender shall have the right, before and after default, to enter the Property at any reasonable time to carry out any environmental investigations which are deemed necessary, beyond a Phase I investigation, which involves more intrusive tests such as boreholes for soil and water samples. The cost of any such further investigation shall be payable by the Borrower and shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee to be in possession, management or control of the said lands and buildings.

YH

INITIALS

APPENDIX B

INSURANCE REQUIREMENTS

A – GENERAL CONDITIONS:

1. All insurance policies shall be in form and with insurers reasonable acceptable to Addenda Capital Inc. Deductibles, where used, will be allowed only as they may be reasonable acceptable ~~to Addenda Capital Inc~~.

2. The Mortgagor will provide Addenda Capital Inc. with satisfactory evidence that the required insurances are in place.

3. All losses will be payable to Addenda Capital Inc. as First Mortgagee and the policies will include an Insurance Bureau of Canada Standard Mortgage Clause.

4. If there is currently a First Mortgagee on the property, then Addenda Capital Inc. will show as Mortgagee and Loss Payee as their interest may appear, until the insurer has received release of interest from the prior lender at which time the policies will be endorsed to show Addenda Capital Inc. as First Mortgagee and Loss Payee.

5. The mortgagor shall be a Named Insured on all policies.

6. The policy shall contain a clause that the Insurer will neither terminate nor alter the policy to the prejudice of Addenda Capital Inc. except by registered letter to Addenda Capital Inc. giving notification of at least thirty (30) days. The Mortgagor will replace any terminated policy providing similar coverage with no cessation in coverage.

   Such notice clause shall not be modified by such phrases as "endeavour to" or "but failure to provide such notice shall impose no obligation or any liability of any kind upon the company".

7. All coverages shown are the minimum requirements and are not intended as a recommendation or advisement of what may constitute full and proper coverage for the Mortgagor.

B – PROPERTY INSURANCE:

The Mortgagor will insure and keep insured the improvements and all insurable Property forming part of the mortgaged Premises, in an amount not less than the Replacement Cost thereof:

1. On an All Risk basis, including:
   a. Flood,
   b. Earthquake,
   c. Sewer Backup,
   d. Blanket Building By-laws.

2. Subject to the Stated Amount Co-insurance Clause or such similar condition and shall in this regard file all documentation necessary as required under this clause.

3. Coverage is to be subject to a Replacement Cost Endorsement with no requirement to replace on the same or an adjacent site. (Replacement cost to be determined by an appraiser or the insurance agent).

C- EQUIPMENT BREAKDOWN INSURANCE (BOILER AND MACHINERY):

The Mortgagor will also maintain Equipment Breakdown insurance to cover all building equipment and machinery (and production machinery, if applicable) for explosion, electrical loss or damage and mechanical breakdown.

D – BUSINESS INTERRUPTION INSURANCE:

The Mortgagor will effect and maintain Business Interruption Insurance on one of the forms known as Gross Rents or Profits (whichever shall be applicable), or their equivalent, for loss resulting from those perils covered by the insurance described above in Sections (A) and (B). The period of indemnity will not be less than twelve months. The coverage will provide for not less than 100% of such loss of profits or gross rents.

E – LIABILITY INSURANCE:

The Mortgagor will effect and maintain Public Liability Insurance in an amount of not less than $5,000,000.00, on either a Comprehensive General Liability or Commercial General Liability form. Mortgagee is to be named as 'Additional Insured'.

All insurance policies must be forwarded to our insurance consultants, for their review and comments upon acceptance of this Commitment.

The Lender's insurance consultants will review the insurance policies. Such cost shall be for the account of the Borrower and will therefore be deducted from the initial advance of funds under this loan.

PROINCON LIMITED
300 – 570 Portage Avenue
Winnipeg, Manitoba R3C 0G4
Ph. 204-953-6222
Fax 204-953-6220

Borrower's Insurance Agent

Name: Lussier Dale Parizeau

Address: 3400 de Maisonneuve West, #700
Montreal, Quebec H3Z 0A5 Attn. Rosa Vani

Phone No. 514 925 3235

Fax No. 514 370 8835 Email rvani@ldpi.ca

||

JH

APPENDIX 'C'

ADDENDA CAPITAL LOAN INFORMATION FORM

The following information is required to supplement this Commitment.

BORROWER

A. Proposed Borrower:

Name: 112 Street NW Edmonton Partners LP

Principal business address: 205-5th Avenue SW, Suite 3700, Calgary, Alberta T2P 2V7

Mailing address: 2000 Peel Street, Suite 900, Montreal, Quebec H3A 2W5

Principal Contact: David Hawrysh Email Address: dhawrysh@canderel.com

Phone Number: 514 842-8636 Fax Number 514 282-8074

Borrower Entity Type: Corporation_____ Partnership ✓ Individual_____
Limited Partnership_____

Is the Borrower a Nominee?: No

If Borrower is a nominee, who is the Beneficial Owner: _____

Provide Structure of ownership, (chart). Attached

B. Source of Downpayment (for Purchase transaction only)

Amount of Equity:

_____

Source of Equity: _____ (attach supporting documentation)*

C. Politically Exposed Foreign Persons ("PEFPs")**

Is the Borrower, any Guarantor or any signing officer of either the Borrower or Guarantor a PEFP? No

Is a member of any of the foregoing's immediate family a PEFP? No

D. Judgments, Liens or Lawsuits

Are there any judgments, liens or lawsuits outstanding or pending against the Borrower, the beneficial owner if different from the Borrower, any Additional Covenantor or any of their principals or affiliates or has there been any adverse judgment issued against any of the foregoing within the last 3years.

Yes_____ No ✓
(If yes, please describe and attach supporting documentation).

||

JH

***Question B – Source of Downpayment**

The Borrower must provide evidence of the equity it is contributing to the property. This can take form of a firm commitment to finance another property, an agreement of purchase and sale in respect of another property together with Solicitor's confirmation of receipt and amount of the proceeds of such sale or financing, three months' bank statement showing equity in the Borrower's bank account, audited balance sheet and other similar documentation.

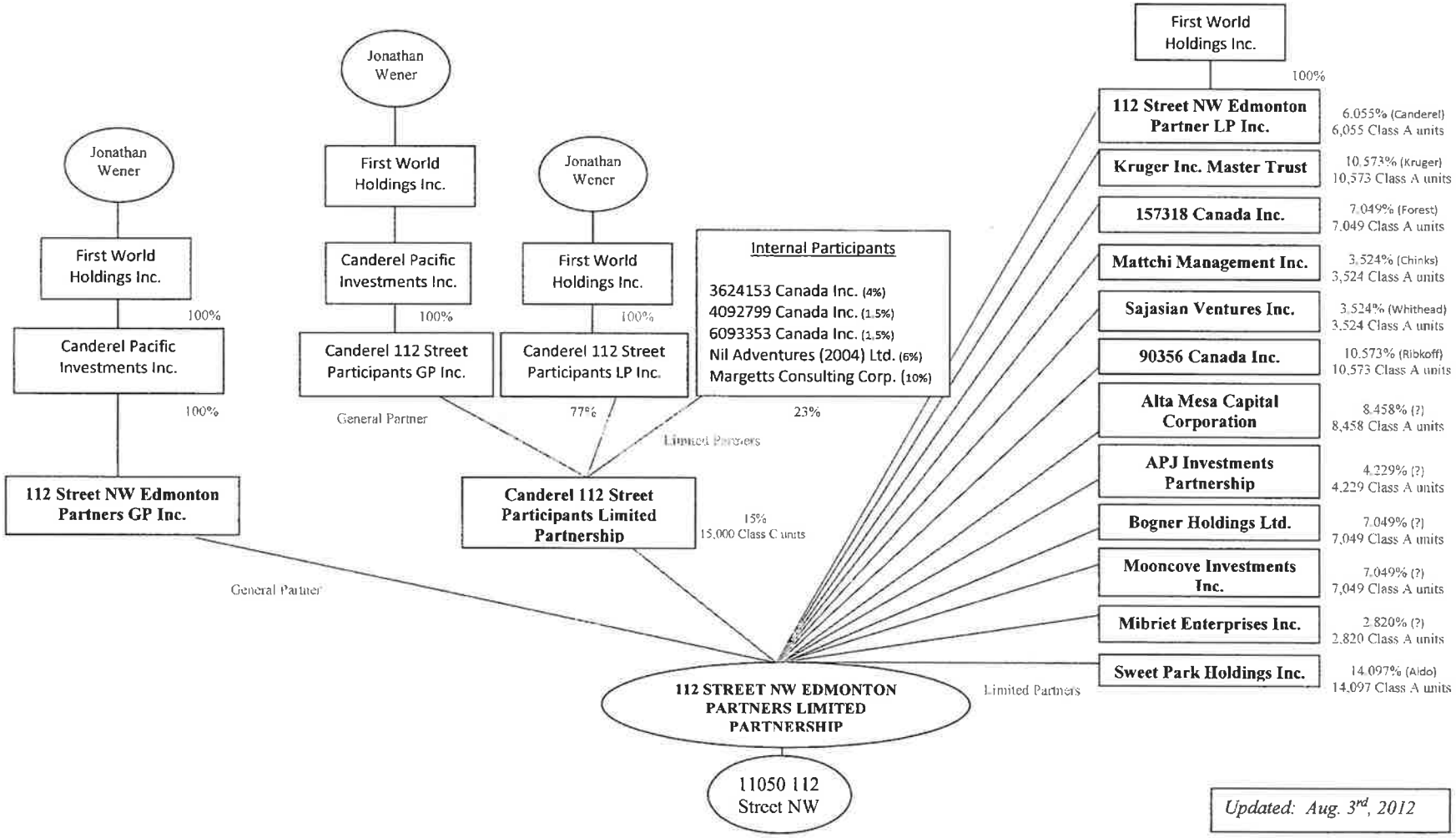
****Question C - Politically Exposed Foreign Persons**

A politically exposed foreign person (PEFP) is a person who is or was a "senior political figure, or a member of their immediate family".

A senior political figure is an individual who holds or has ever held one of the following offices or positions in or on behalf of a foreign country.

A head of state or government	A president of a state owned company or bank
A member of the executive council of government or member of legislature	A head of a government agency
A deputy minister (or equivalent)	A judge
An ambassador or ambassador's attaché or counsellor	A leader or president or a political party in a legislature
A military general (or equivalent higher rank)	

IRONWOOD PARTNERSHIP OWNERSHIP CHART



Updated: Aug. 3rd, 2012

SCHEDULE 'A'

Release of Information to Mortgage Broker:

The Borrower acknowledges that Jim Leitch and/or Peter Morrish of Canada ICI Capital are the Borrower's Mortgage Broker of record for this contract. The Borrower is providing approval for the Lender to disclose information to Jim Leitch and/or Peter Morrish or their staff regarding this mortgage until such time as the approval is withdrawn by the Borrower, or the mortgage is paid in full.

Such withdrawal must be provided in writing either delivered by mail, facsimile or email.

Dated this 9th day of November, 2017, in the City of ~~Edmonton~~ Montreal, in the Province of ~~Alberta~~ Quebec.

BORROWER
112[redacted] Street NW Edmonton Partners LP by its general partner 112 Street NW Edmonton Partners GP Inc.

Per: _____

Per: _____

INITIALS

GUARANTOR:
Canderel Enterprises Inc.

Per: _____

Per: _____

SCHEDULE 'B'

NOTICE TO INSURANCE AGENT

Re: 10050 – 112 Street NW, Edmonton, Alberta

To Whom It May Concern:

Approval is being given to release any information verbally or in document form as requested by Addenda Capital Inc. or its designated agent regarding all insurance requirements for the above-noted property. This is including but not limited to certified copies of Insurance Policies, Certificated of Insurance, or Binder Letters.

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

Dated this 9th day of November, 2017.

BORROWER
112[redacted] Street NW Edmonton Partners LP by its general partner 112 Street NW Edmonton Partners GP Inc.

Per: _____

Per: _____

INITIALS

SCHEDULE 'C'

PROPERTY TAX INFORMATION RELEASE

I/We hereby authorize the City of Edmonton Property Tax Department to release all information relevant to taxes levied against the following property to Addenda Capital Inc., the mortgagee, as required:

Property Address

10050 – 112 Street NW, Edmonton, Alberta

Dated this 9th day of November, 2017.

BORROWER
112[redacted] Street NW Edmonton Partners LP by its general partner 112 Street NW Edmonton Partners GP Inc.

Per: _____

Per: _____

INITIALS

GUARANTOR:
Canderel Enterprises Inc.

Per: _____

Per: _____

SCHEDULE 'E'

PROPERTY TAX DEPOSIT WAIVER

Addenda Capital Inc. is prepared to waive the collection of monthly property tax deposits subject to the following:

1. Prompt payment of mortgage instalments when due;
2. Property tax receipts as evidence of payment and/or written confirmation from the City Property Tax Department and/or receipt of cancelled cheques confirming payment of taxes being submitted to our office within thirty day of each tax instalment due date;
3. There being no default of any nature or kind under the Mortgage Loan; and
4. Authorization for the property tax authority to release all information relevant to taxes to Addenda Capital Inc. as required.

The above arrangement will not extend to any subsequent owner and is made without prejudice to any of the other terms or conditions of the Mortgage.

Please be advised that any charges incurred by Addenda Capital Inc. in verifying payment of property taxes will be charged to your mortgage along with an administration fee. It is, therefore important that evidence of tax payments be submitted promptly.

It is further understood that this arrangement may be terminated by us upon reasonable notice in the event that the Borrower does not provide Addenda Capital with evidence of tax payments paid on time.

I/WE HEREBY AGREE TO THE ABOVE TERMS AND CONDITIONS:

BORROWER
112[redacted] Street NW Edmonton Partners LP by its general partner 112 Street NW Edmonton Partners GP Inc.

Per: _____

Per: _____

INITIALS

GUARANTOR:
Canderel Enterprises Inc.

Per: _____

Per: _____

RENT ROLL

SCHEDULE 'F'

PROPERTY	**Compass Place**
OWNER	112 Street NW Edmonton Partners G.P. Inc.
ADDRESS	10050 - 112 Street, Edmonton
EFFECTIVE DATE	**November 1, 2017**
Net rentable area of building	**84,183**

UNIT NUMBER	NOTES	TENANT	LEASE BEGINNING	TERM END	MAIN AREA SQ. FT	ACTUAL RATE PER SQ. FT	RENTABLE AREA%	BASIC MO. RENTAL $	ACTUAL ANNUAL RENTAL $
102	10	Victor A. Spicer Professional Corporation	1-Feb-13	31-Jan-23	1,884	19.00	2.24%	2,983.00	35,796.00
103		Schaefer Dental Laboratory Ltd. (Schaefer Denture Clinic)	Month	to Month	922	20.00	1.10%	1,536.67	18,440.00
104	5	R. Brothers Inc.	1-Feb-12	31-Jan-23	1,135	18.00	1.35%	1,702.50	20,430.00
105		Chung Yoon Cho o/a J's Smoke Shop	1-May-11	30-Apr-21	290	18.00	0.34%	435.00	5,220.00
106		The Nature Conservancy of Canada	1-Jan-15	31-Dec-22	1,299	18.00	1.55%	1,948.50	23,382.00
107	9	J.G. Magathan Professional Corporation	1-May-13	30-Apr-23	2,056	16.00	2.45%	2,741.33	32,896.00
200/201		Tytec General Partnership	1-Apr-17	31-Mar-18	3,335	5.00	3.97%	5,536.10	16,675.00
202/208	12	Tytec General Partnership	1-Apr-15	31-Mar-18	2,518	17.00	2.99%	3,567.17	42,806.00
204		Accessible Media Inc. (AMI)	1-Feb-11	31-Jan-21	1,024	19.00	1.22%	1,621.33	19,456.00
206	4	Cameron Financial Consultants Ltd.	Month	to Month	1,285	15.00	1.53%	1,606.25	19,275.00
300	7	Humford Management Inc.	1-Jul-17	30-Jun-22	9,039	16.00	10.75%	12,052.00	144,624.00
400		CBI Home Health (AB) Limited Partnership	1-May-16	30-Apr-23	6,215	18.00	7.39%	9,322.50	111,870.00
401	2	Crown Dental Lab Ltd.	1-Feb-12	31-Jul-24	2,817	19.00	3.35%	4,460.25	53,523.00
500	17	Vacant *(Aroma Therapy Wholistics Centre Ltd. - Jan 1/18 Commencement)*			5,581	15.00	6.64%	6,976.25	83,715.00
505	6	Optimum West Insurance Company	1-Sep-17	31-Aug-22	3,433	14.00	4.08%	4,005.17	48,062.00
600		Ian Martin Limited	1-Oct-13	30-Sep-18	2,432	19.00	2.89%	3,850.67	46,208.00
602		Thiess Contractors Canada Ltd.	15-Mar-17	14-Mar-18	1,934	16.00	2.30%	2,578.67	30,944.00
608	15	SRK Homes Ltd.	Month	to Month	2,501	15.00	2.97%	3,126.25	37,515.00
700	16	2052196 Alberta Ltd. o/a Knisely Law	1-Oct-17	30-Sep-22	1,868	14.00	2.22%	2,179.33	26,152.00
702	1	Harpar Investments Ltd.	1-Dec-16	30-Nov-18	2,481	17.00	2.95%	3,514.75	42,177.00
703	13	Compass Centre for Sexual Wellness	1-Oct-16	30-Sep-23	2,907	15.00	3.46%	3,633.75	43,605.00
800	3	Legal Resource Centre of Alberta	1-Jun-17	31-May-22	4,266	14.00	5.07%	4,977.00	59,724.00
802		D.C. Durand Professional Corporation	1-Jul-14	30-Jun-20	880	18.50	1.05%	1,356.67	16,280.00
806	11	Dr. Ken Harrison Clinical and Counseling Psychologist Inc.	1-Jul-13	30-Jun-18	1,709	20.50	2.03%	2,919.54	35,034.50
900		Ironwood Management Ltd.	1-Jul-17	30-Jun-19	1,677	15.00	1.99%	2,096.25	25,155.00
901/903	8	Tetz Management Services Ltd.	1-Jan-16	31-Dec-18	4,450	19.00	5.29%	7,045.83	84,550.00
904/1001	14	RGN Alberta XII Limited Partnership o/a Regus	1-Oct-16	30-Sep-26	7,746	6.00	9.21%	N/A	46,476.00
					77,684				
		Total Main Source Revenue							*1,169,991*
		2018 Recoveries							*1,052,519*
		Other Revenue							*424,777*
		Less Vacancy @ 7.22%							*0*
		Effective Gross Income							*2,647,286*
		Less: 2018 Expenses							*1,215,314*
		Non-Recoverable Expenses							*98,285*
		Structural							*26,740*
		NOI							**1,306,947**

This is **EXHIBIT "C"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

LAND TITLES ACT

MORTGAGE

112 STREET NW EDMONTON PARTNERS GP INC.

TO

ADDENDA CAPITAL INC.

MORTGAGE

The 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 and the Mortgagor has agreed to pay the Principal Sum and interest thereon to the Mortgagee;

C. As security for the payment 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.

ARTICLE 1

1.1 DEFINITIONS

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

(a) "Applicable Laws" means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of this Mortgage;

(b) "Business Days" means days other than Saturdays, Sundays and statutory holidays;

(c) "Collateral Security" means the additional and collateral security, if any, which is described in Schedule "B" attached hereto, or which may be required by the Mortgagee to be granted by the Mortgagor pursuant to the provisions of this Mortgage or the Commitment Letter;

(d) "Commitment Letter" means that certain letter from Addenda Capital Inc. dated October 30, 2017 accepted by the Mortgagor in respect of the advance of a loan in the Principal Sum of $14,600,000.00, as may be amended in writing from time to time;

(e) "Environmental Laws" means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean-up or any other aspect of a Hazardous Substance;

(f) "Environmental Proceeding" means any investigation, action, proceeding, conviction, fine, judgement, notice, order, claim, directive, permit, license, approval, agreement or lien of any nature or kind arising under or relating to Environmental Laws;

(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 in any material respect of any of the terms or conditions of this Mortgage, the Collateral Security or the Commitment Letter,

(ii) if any representation or warranty made in this Mortgage, the Collateral Security or the Commitment Letter or any other document furnished to the Mortgagee in respect of the Mortgagor or the Lands is materially false or misleading,

(iii) the Mortgagor becomes insolvent or bankrupt; or assigns assets to its creditors; or takes advantage of or attempts to take advantage of the *Bankruptcy and Insolvency Act (Canada)* or any other legislation or loan arrangements with creditors;

(iv) the filing or presenting of a petition or application or proceeding by a third party in respect of bankruptcy or any other legislation or loan arranged with creditors which continues undismissed or unstayed and in effect for a period of 15 Business Days;

(v) the appointment, either privately or by a Court, of a Receiver or Receiver-Manager of the Mortgagor or any of its assets,

(vi) the Mortgagor making a proposal under the Bankruptcy and Insolvency Act or any successor legislation,

(vii) any execution, sequestration or other process of any Court becoming enforceable against the Mortgagor for the payment of money in excess of $250,000 and same shall remain undischarged for a period of 15 days during which such process of Court shall not be on appeal or execution thereof shall not be effectively stayed or a distress or analogous process, the amount of such proceeding in excess of $250,000 being levied upon the property of the Mortgagor or any part thereof, including but not limited to a builder's lien registered against the title to the Lands, which is not satisfied or discharged, as the case may be, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,

(viii) except for the currently existing lease to Humford Management Inc. (or any renewal thereof), a non-arm's length Lease granted by the Mortgagor without the prior written approval of the Mortgagee which approval will not be unreasonably withheld;

(ix) the Lands are charged or encumbered with any financial obligation other than this Mortgage and the security granted collateral hereto without the prior written approval of the Mortgagee, which approval may be withheld in the Mortgagee's sole discretion. This shall not apply to notices of lease of any tenants of the Lands;

(x) the creation of any encumbrance ranking or purportedly ranking ahead of or *pari passu* with the Mortgage;

(xi) if the Lands are abandoned for a period exceeding 15 consecutive days, the Mortgagee shall be entitled (after giving the Mortgagor 10 days written notice of abandonment and if the Mortgagor fails to rectify the abandonment within 15 days after the notice has been given) to immediately cancel its obligations, decline to advance further funds and declare monies already advanced to be due and payable plus interest, all at the Mortgagee's option;

(xii) any material deterioration in the opinion of the Mortgagee in the financial condition of the Mortgagor;

(xiii) any other event which, pursuant to the terms of this Mortgage constitutes an Event of Default or an event of default under the Collateral Security;

(h) "Hazardous Substance" includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the Environmental Protection Act or any applicable Environmental Law;

(i) "Interest Adjustment Date" means February 1, 2018;

(j) "Interest Rate" means an annual interest at a rate of 4.23% per annum, calculated and compounded semi-annually not in advance;

(k) "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;

(l) "Lease" means all agreements, whether in existence now or in the future, including, without restriction, leases, offers to lease, tenancy agreements, rental agreements, wherein, the Lands or any portion thereof, are occupied by a tenant who is required to pay rent, without limitation, to a property manager, to a leasing agent or to the registered or beneficial owner of the Lands;

(m) "Maturity Date" means March 1, 2023;

(n) "Monthly Instalments" means consecutive monthly instalments of $78,630.13 payable not in advance on the first day of each calendar month during the Term, commencing on March 1, 2018, each of which shall be applied firstly to interest and secondly to the Principal Sum;

(o) "Mortgage" means this Mortgage together with all the recital clauses and the attached schedules;

(p) "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 according to section 5.5 hereof;

(q) "Mortgagee" means Addenda Capital Inc.;

(r) "Mortgagee's Address" means 1920 College Avenue, Regina, Saskatchewan S4P 1C4, or such other address as the Mortgagee shall from time to time direct;

(s) "Mortgagor" means 112 Street NW Edmonton Partners GP Inc.;

(t) "Mortgagor's Address" means 400, 2695 Granville Street, Vancouver, British Columbia, V6H 3H4, or such other address as the Mortgagor shall from time to time direct in writing;

(u) "Permitted Encumbrances" means those encumbrances described in Schedule "A" attached hereto;

(v) "Principal Sum" means the sum of $14,600,000.00 or so much thereof as may be advanced from time to time;

(w) "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;

(x) "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 excluding income taxes;

(y) "Receiver" means any person or persons appointed by the Mortgagee according to section 6.1 herein and includes a receiver, and a receiver and a manager; and

(z) "Term" means the period of 5 years from and including the Interest Adjustment Date 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 (or such other address as the Mortgagee advises of in writing), 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, calculated from the respective dates of such advances shall become due and be paid on the first day of each and every month commencing with the month immediately following the month in which the first advance of the Principal Sum was made and continuing to and including the Interest Adjustment Date, on which date all interest on advances shall become due and payable;

(b) Thereafter, interest on the Principal Sum at the Interest Rate shall be paid by the Monthly Instalments due and payable not in advance on the first day of each month during the Term, commencing on March 1, 2018; and

(c) The whole of the Mortgage Monies including the Principal Sum hereby secured is to be fully paid and is due and payable on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

The amount of principal money to be advanced under and secured by this Mortgage is the Principal Sum and the rate of interest chargeable thereon is the Interest Rate which shall be calculated monthly and payable monthly not in advance before and after maturity, default and the obtaining of any judgment by the Mortgagee.

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 against the Lands. In the event that the computation of interest in arrears on a monthly basis is prohibited by the provisions of the Interest Act, R.S.C. 1985, Ch. I-15, then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate, computed and compounded and payable monthly, not in advance.

ARTICLE 3

3.1 INSURANCE

The Mortgagor will at all times during the Term insure and maintain the insurance required by Appendix B of the Commitment Letter.

3.2 ADDITIONAL INSURANCE PROVISIONS

(a) The Mortgagee may, upon the occurrence and continuance of an Event of Default, effect such insurance in respect of the Lands (the "Property Insurance") as deemed necessary by the Mortgagee;

(b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies of Property Insurance may be voided, and will pay all premiums and sums of money necessary for maintaining every such insurance as aforesaid, as the same become due, and will subject to the terms hereof assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts received by the Mortgagor relating thereto;

(c) 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 Property 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;

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; and

(d) Subject to the terms hereof and only to the extent necessary to comply with such terms, 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, and the provisions of Schedule "C" are incorporated into and form a part hereof.

3.3 PAYMENT OF REAL ESTATE TAXES

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

(a) The Mortgagee may upon reasonable notice to the Mortgagor, 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 Mortgage 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 Mortgage 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.

(i) Notwithstanding the foregoing, the Mortgagee shall waive the collection of Real Estate Taxes subject to the following:

(i) the Mortgagor has enrolled the Lands under the City of Edmonton Tax Instalment Payment Plan program;

(ii) within 30 days of each tax instalment due date, the Mortgagor provides the Mortgagee with property tax receipts evidencing payment of the Real Estate Taxes, and/or written confirmation from the City of Edmonton tax department, and/or cancelled cheques confirming payment of the Real Estate Taxes;

(iii) the Mortgagor provides the Mortgagee with authorization for the taxing authority to release all information relevant to the Real Estate Taxes; and

(iv) there has been no Event of Default under the Mortgage.

The foregoing waiver may be withdrawn upon reasonable notice by the Mortgagee if the foregoing provisions are not met and the monthly collection of Real Estate Taxes by the Mortgagee pursuant to the terms of the Mortgage shall re-commence immediately, with retroactive effect to the extent necessary to cover any tax arrears.

3.4 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 where the cost to remedy the waste or the impairment is in excess of $250,000;

(b) The Mortgagor will take good and reasonable care of all buildings and/or 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) Subject to the rights of tenants, the Mortgagee by its agents, solicitors or inspectors may enter upon the Lands at any reasonable time to view the state of repair; and

(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 in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence and the cost thereof 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 in priority to the interest of the Mortgagor. 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.

3.5 ALTERATIONS OR ADDITIONS

Any major changes, additions, and/or alterations contemplated to the Lands, including major changes in use of the Lands, must receive the Mortgagee's written consent, such consent not to be unreasonably withheld, prior to the commencement of the changes, additions and/or alterations. The Mortgagor shall not use the Lands or permit them to be used for any purpose of any business, trade or manufacture of any description, including, but not limited to a hotel, and shall at all times be occupied by persons utilizing the accommodations for the purpose of a primary residence. If the Mortgagor changes and/or alters the Lands in a major way without the prior written consent of the Mortgagee which shall not be unreasonably withheld or delayed, being obtained, , then the Mortgagee may, at its sole option, declare forthwith due and payable the entire balance of the unpaid principal together with the accrued interest due thereon. The Mortgagor will provide reasonable notice to the Mortgagee of any anticipated or impending transaction which would require the consent of the Mortgagee under this Section together with such reasonable information as the Mortgagee may require to determine whether or not to grant its consent thereto.

3.6 HAZARDOUS SUBSTANCES

The Mortgagor represents and warrants, to the best of the Mortgagor's knowledge and relying on the environmental report dated March 28, 2014 by Pinchin West Ltd. and covenants as follows:

(a) the Lands have never been used as a land fill site or to store Hazardous Substances either above or below ground, in storage tanks or otherwise;

(b) all Hazardous Substances used in connection with the business conducted at the Lands have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws,

(c) no Hazardous Substances, other than in in strict compliance with, Environmental Laws have been released into the environment or discharged, placed or disposed at on or near the Lands as a result of the conduct of business on the Lands; and

(d) no notices of any violation of any matters referred to above relating to the Lands or its use have been received by the Mortgagor and there are no directions, writs, injunctions, orders or judgements outstanding, no law suits, claims, proceedings, or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Lands nor is there any basis for such law suits, claims, proceedings, or investigations being instituted or filed.

3.7 COVENANTS REGARDING ENVIRONMENTAL MATTERS

The Mortgagor shall: (i) ensure that the Lands and the Mortgagor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Lands (except in the ordinary course of business of the Mortgagor or any tenant and in compliance with all Environmental Laws) nor permit any other activity on or in respect of the Lands that might result in any Environmental Proceeding affecting the Lands, the Mortgagor or the Mortgagee; (iii) notify the Mortgagee promptly of any threatened or actual Environmental Proceedings; (iv) remediate and cure in a timely manner any non-compliance by the Lands or the Mortgagor with Environmental Laws, including removal of any Hazardous Substances from the Lands; (v) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Lands as required by Environmental Laws; (vi) provide the Mortgagee promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Mortgagor's expense) as may be required by the Mortgagee to confirm and/or ensure compliance by the Lands and the Mortgagor with Environmental Laws, and (vii) execute all consents, authorizations and directions necessary to permit any inspection of the Lands by any governmental authority and to permit the release to the Mortgagee or its representatives, of any information relating to the Lands and the Mortgagor.

3.8 ENVIRONMENTAL INDEMNITY

Without limiting any other provision of this Mortgage or any document collateral hereto, the Mortgagor shall indemnify and pay, protect, defend and save the Mortgagee harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and his own client basis) (collectively "Environmental Claims"), imposed on, made against or incurred by the Mortgagee arising from or relating to, directly or indirectly, and whether or not caused by the Mortgagor or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Lands, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Lands including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Lands or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Mortgagor of any covenant hereunder or under any document collateral hereto or under Applicable Law relating to environmental matters. This indemnity shall survive repayment of the Mortgage Monies, foreclosure upon this Mortgage and any other extinguishing of the obligations of the Mortgagor under this Mortgage and any other exercise by the Mortgagee of any remedies available to it against the Mortgagor.

3.9 INSPECTIONS

Subject to the provisions of any lease of the Lands, the Mortgagee shall have the right, before and after default, to enter the Lands at any reasonable time to carry out environmental investigations which are deemed necessary, beyond the Phase 1 investigation, which involves more intrusive tests such as

boreholes for soil and water samples. The cost of any such further investigation shall be payable by the Mortgagor and shall be a charge upon the Lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee to be in possession, management or control of the Lands.

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 an Event of Default which has not been cured as provided for hereunder or waived in writing by the Mortgagee, 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 of the Lands as may be requisite 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 which has not been cured within 3 Business Days after notice of the Event of Default has been given by the Mortgagee to the Mortgagor:

(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;

(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 and may 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 plus the Yield Maintenance Fee as defined in paragraph 10.14, shall, at the option of the Mortgagee, become due and payable;

(f) After provision of the notice referred to in the first paragraph of this Section 5.1 the Mortgagee may exercise each of the foregoing powers without further 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 the promissory note (if any) or 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 Mortgage 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 proper and reasonable solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage and for examining the Lands and the title thereto, and for making or maintaining this Mortgage as a valid and subsisting charge (subject only to the Permitted Encumbrances) on the Lands, including but not limited to attending to any and all post advance requirements, or providing partial discharges thereof from time to time, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, Real Estate Taxes, rates or in or toward payment of any Prior Charge, or in maintaining, repairing, restoring or completing the Lands, and in 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, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or otherwise subsisting or in respect of any agreement, covenant or security collateral or in addition to this Mortgage, and legal costs as between a solicitor and his own client, and also an allowance for the time, work and expenses of the Mortgagee, or of any agent, solicitor or servant of the Mortgagee, for any purpose herein provided, whether any or all of the same prove abortive or not, or whether or not such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise, are to be secured hereby and shall be a charge on the

Lands, together with interest thereon at the Interest Rate, and all such Mortgage 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 Mortgage Monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.6 RIGHT OF SUBROGATION

In the event of the Mortgage Monies advanced hereunder or any part thereof being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of, and 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, and 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, absent manifest error, 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, and 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 OR TRANSFER

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

A tender of the Mortgage Monies with a direction to transfer the Mortgage shall not entitle the Mortgagor to such transfer, without the prior written consent of the Mortgagee to such transfer.

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, or formed by or subsequently ratified by an executive officer of the Mortgagee, or any officer or agent appointed by the Mortgagee 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 unless cured by the Mortgagor to the satisfaction of the holder of such Prior Charge and written confirmation of such satisfaction is provided to the Mortgagee, shall constitute a default hereunder and the Mortgage Monies shall, at the option of the Mortgagee, become forthwith due and payable without notice or demand. 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, shall 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, and 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 Section 38 of the Law of Property Act of 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 and during the continuance of an Event of 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 and continuance of an Event of Default, which has not been cured within 3 days after notice of the Event of Default has been given by the Mortgagee to the Mortgagor, the Mortgagee may in writing appoint any person or persons, whether an 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 applied in or towards satisfaction of the Mortgage Monies owing pursuant to 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; and

(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 said contracts shall be binding upon the Mortgagor;

(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, if the security hereby granted becomes enforceable, 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; and

(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 AND LEASES

(a) The Mortgagor covenants and agrees to execute and deliver a General Assignment of Leases and Rents in a form acceptable to the Mortgagee and a specific assignment of any Lease in accordance with the terms and conditions of the Commitment Letter.

ARTICLE 8

8.1 EXPROPRIATION AND CONDEMNATION

(a) If the Lands or any part thereof be condemned under any power of eminent domain or be 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 be taken in the expropriation without resulting damage to the

buildings and improvements or any part thereof, or if a portion of the Lands shall be 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, Chapter E-13, Statutes of Alberta, 2000, 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 and in addition the Mortgagor covenants to pay to the Mortgagee the 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, acceleration 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 provided that any such proceeding in respect of a portion of the Lands would be expected by the Mortgagee, acting reasonably, to have an affect on the value of the Lands by an amount in excess of $1,000,000; and

(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 9

9.1 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* of Alberta, Chapter C-22, Revised Statutes of Alberta, 2000, and amendments thereto or any successor legislation, then:

(a) The Mortgagor shall fully and faithfully and promptly observe and perform all of the duties and obligations of an owner of a condominium unit (a "Unit"), including but not limited to those in the Bylaws of the condominium corporation(s) (individually, a "Condominium Corporation") constituted in respect of the Lands, together with all other rules and regulations and amendments thereto and more particularly, but without limitation hereby undertake as follows:

(i) to pay, without delay, reserve fund contributions, common area charges, contributions, assessments, levies, instalments, payments or any other amounts owing to the Condominium Corporation whether in proportion to the Unit factor basis or otherwise (collectively, the "Levies");

(ii) to promptly transmit to the Mortgagee forthwith upon written request satisfactory proof that all assessed or levied by the Condominium Corporation against or in respect of the Lands have been paid as assessed or levied;

(iii) not to use the rights in the Condominium Corporation or a Unit in a manner as to trouble the rights of the Condominium Corporation or owners of other units;

(iv) to promptly advise the Mortgagee of any proceeding by any co-owner contemplating the revision of the relative value of the unit factors or the attribution of the common area charges and will, upon written request of the Mortgagee permit the latter to intervene in any such proceedings;

(v) to advise the Mortgagee of the amounts, modalities, deductibles and other particulars regarding insurance contracted for by the Condominium Corporation and any change with respect thereto;

(vi) to promptly inform the Mortgagee upon written request of the latter, of the common area expenses and to produce a statement with respect thereto, specifying the portion assessments and levies attributable to the Lands;

(vii) upon receipt of a written request by the Mortgagee, to promptly transmit to the latter any notice of a meeting of co-owners which is to take place, the agenda, financial statements and/or other documents which will be dealt with there at.

(b) The Mortgagee may pay out of and deduct from any advance of the Mortgage all contributions to the common area expenses assessed against or in respect of the Lands which have become due and payable and which are unpaid at the date of such advance.

(c) Whenever and so long as the Mortgagee so requires, the Mortgagor shall on or before the date when any sum becomes payable by the Mortgagor in respect of Levies pay such sum to the Mortgagee. The Mortgagee shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Mortgagor or as the Condominium Corporation may from time to time direct.

(d) The exercise of the said right(s) to vote or consent shall not constitute the Mortgagee becoming a mortgage creditor in possession or a creditor with administration over the Lands.

(e) Should the Mortgagor or the guarantor fail to observe, perform or fulfil any of the obligations hereinabove set forth (including, without limitation, the obligation to pay the common area charges, assessments or impositions levied by the Condominium Corporation relating to the Bylaws as they become due or should the Mortgagor or guarantor, upon the Mortgagee's request, fail to provide the Mortgagee with a receipt evidencing the payment thereof on a monthly basis), then such default shall constitute a default under the Mortgage and the Mortgagee may, at its sole option, proceed to exercise its right contained in this Mortgage.

(f) On an annual basis, the Mortgagor shall provide the Mortgagee with a balance sheet of the Condominium Corporation, the income statement for the preceding financial period, the statement of debts and claims, the budget forecast, any draft amendment to the Bylaws and a note on the general terms and conditions of any proposed contract or planned work.

(g) 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 hereinbefore in this Section contained, 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 10

10.1 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. The division of the Mortgage into articles, sections, paragraphs, subsections and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Mortgage. Where this Mortgage is granted by more than one party, then all agreements, promises, covenants and obligations are and shall be joint and several and shall be construed and enforced as such. The respective heirs, executors, administrators, successors and assigns of any party granting this Mortgage are jointly and severally bound by the covenants, agreements, promises and obligations herein contained. The covenants, agreements, promises and obligations herein stated shall be in addition to those granted or implied by statute.

10.2 PERMITTED ENCUMBRANCES

The parties acknowledge that this Mortgage is to be registered subject only to the Permitted Encumbrances and the Lands shall not be further charged or encumbered without the Mortgagee's prior written approval which may be withheld in the Mortgagee's sole discretion.

10.3 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.

10.4 COMMITMENT LETTER NOT MERGED

The provisions of the Commitment Letter, all as accepted by the Mortgagor, are not superseded or extinguished 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 including payment of the Mortgage Monies. In the event of an express conflict between any provision or provisions of the Commitment Letter and this Mortgage or the Collateral Security, the Commitment Letter shall prevail. There will be no conflict if the terms and conditions of this Mortgage or the Collateral Security should enlarge or clarify the terms of the Commitment Letter.

10.5 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.

10.6 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 withdrawal for the purposes of paying the Monthly Instalments and interest.

10.7 FINANCIAL RECORDS

Until the repayment of the loan, the Mortgagor shall provide the Mortgagee, within 120 days after the end of each fiscal year for the Mortgagor, or within 120 days after the end of each calendar year, if applicable or if the Mortgagor is an individual, or more often if requested by the Mortgagee, a detailed notice to reader statement of the Mortgagor including a separate income and expense statement for the Lands, an operating statement and an updated rent roll containing relevant lease terms for the Lands, all satisfactory to the Mortgagee in form and content.

The Mortgagor shall further cause each guarantor to provide, in the case of corporate guarantors, a notice to reader financial statements within 120 days after the end of each fiscal year of each corporate guarantor, or more often if requested by the Mortgagee such statements to be in form and content satisfactory to the Mortgagee. Non-receipt after one reminder will be subject to an administration fee.

The Mortgagor authorizes, and shall, if required by the Mortgagee, cause the guarantor to authorize, the Mortgagee to obtain such financial information as the Mortgagee may require. If the Mortgagor does not provide information as noted and more than one reminder letter as required, an administration fee will be due and owing.

10.8 COLLATERAL SECURITY

As additional and collateral security for the repayment of the Mortgage Monies hereby secured and the performance of the covenants contained herein, the Mortgagor shall execute and deliver to the Mortgagee the Collateral Security. 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 any such additional security or any act of the Mortgagee pursuant thereto.

10.9 DEFAULT UNDER COLLATERAL SECURITY

(a) If the Mortgagor or any guarantor makes default under any security other than this Mortgage now or hereafter granted by the Mortgagor or any such guarantor to the Mortgagee as additional security for the due performance of the Mortgagor's covenants hereunder, the same shall constitute an Event of Default under this Mortgage and the Mortgagee shall be at liberty to exercise its rights under this Mortgage and under any one or more of the other securities, either successively or concurrently, to the same extent as if the time for payment of the Principal Sum and other Mortgage Monies hereby secured had fully come and expired; and

(b) It is understood and agreed that the occurrence of an Event of Default shall constitute a default under all other instruments or agreements, if any, securing and/or evidencing the loan herein.

10.10 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 of Alberta, *The Judicature Act* of Alberta, Chapter J-2, Revised Statutes of Alberta, 2000, and any amendments thereto, *The Law of Property Act*, Chapter L 7, Revised Statutes of Alberta, 2000, 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 (individually and collectively, the "Notice"), shall be sufficiently served if served personally, or if mailed by prepaid registered post or couriered, addressed to Bryce Margetts Vice-President Western Canada of Canderel Pacific Investments Inc. at 1590-505 Burrard Street, Vancouver, British Columbia, V7X 1M5, Fax No.: (604) 738-1948 and Joëlle Sebag Vice President & General Counsel of Canderel Management Inc. at 900-2000 Peel Street, Montreal, Quebec, H2A 2W5, Fax No.: (514) 982-9076 and Peter Tolensky, Lawson Lundell, LLP, Suite 1600 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2, Fax No.: (604) 669-1620 or by electronic transmission and every such Notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the 2nd Business Day after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a Business Day and is received on or before 5:00 p.m. Otherwise it will be deemed to have been received on the 1st Business Day thereafter. Each party may designate in writing a substitute address for that set forth above and which thereafter Notice shall be directed to such substituted address; and

(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.

10.11 RECEIPT ACKNOWLEDGED

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

10.12 CHARGE

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

10.13 PROPERTY MANAGER

The Mortgagee shall have the right to require that the Lands be professionally managed to the satisfaction of the Mortgagee. Any change in the management of the Lands shall require the prior written approval of the Mortgagee, both as to the manager and the terms and conditions of the management agreement. The Mortgagee acknowledges that as of the date hereof, Humford Management Inc. is an acceptable manager.

10.14 NO PREPAYMENT

There shall be no right to prepay the Mortgage Monies in whole or in part prior to maturity, except and upon payment of a Yield Maintenance Fee (the "Yield Maintenance Fee") equal to the greater of:

(a) The amount by which the Canada Yield Price exceeds the Principal Sum and interest thereon then outstanding under the Mortgage; or

(b) Three months' interest on the Principal Sum then outstanding under the Mortgage.

In this Mortgage,

"Canada Yield Price" means the present value (calculated applying a discount rate equal to the Government Of Canada Yield as determined by the Mortgagee as at a dated selected by the Mortgagee which is not more than two (2) Business Days prior to the date on which the Mortgage becomes due and payable of all payments of principal and interest, which would have become due in accordance with the terms of the Mortgage but for the prepayment, breach, default or acceleration (including any principal balance payable on the Maturity Date of the Mortgage);

"Government Of Canada Yield" means the effective yield to maturity expressed as a percentage per annum calculated half-yearly not in advance which is available as at the time of its determination to a purchaser of non-callable Government of Canada bonds payable in Canadian dollars selected by the Mortgagee and having a maturity date approximating the maturity date of the Mortgage.

If the prepayment shall not occur within five (5) Business Days of the date that the Canada Yield Price is determined, then, in such event, the Mortgagee reserves the right not to permit any such prepayment until such time as it recalculates the Canada Yield Price and the Yield Maintenance Fee.

By accepting this Mortgage, the Mortgagor acknowledges that the Yield Maintenance Fee is a genuine pre-estimate of the loss suffered by the Mortgagee as a result of prepayment, having regard to the fact that the Mortgagee generally matches mortgage investments against obligations, that the Mortgagee is not able to immediately re-invest funds received in mortgages and that the re-investment of funds in mortgages involves significant costs and risks.

Notwithstanding anything else herein contained to the contrary, the Mortgagor has no right to prepay this loan in whole or in part. The Mortgagee shall be under no obligations to grant a discharge of the Mortgage until such time as it has received all amounts owing to it, including without limitation, all outstanding Principal Sum and interest and the Yield Maintenance Fee.

10.15 DUE ON SALE

Any change of ownership (beneficial or otherwise) or control of the Mortgagor, or any change of ownership (beneficial or otherwise), control, transfer or sale of the Lands, or part thereof, or that of any person or entities providing covenants to this Mortgage, any change in the effective voting control of the Mortgagor; or the Mortgagor amalgamates or merges without the Mortgagee's prior written consent which consent shall not be unreasonably withheld, shall at the discretion of the Mortgagee, constitute an Event of Default hereunder. The foregoing will not apply to transfers between (i) the partners in the beneficial owner; (ii) transfers from a partner in the beneficial owner to an entity controlled by such partner; (iii) transfers from a partner in the beneficial owner to an entity controlling such partner (the "Controlling Entity") or to another entity which is controlled by the Controlling Entity; and (iv) any change in ownership or voting control of the Mortgagor which is affected in connection with such transfers. The Mortgagee may require as one of the terms for giving consent that the purchaser shall execute an assumption agreement in the Mortgagee's favour.

The Mortgagor shall provide reasonable notice to the Mortgagee of any anticipated or impeding transaction which would require the consent of the Mortgagee under this section together with such reasonable information as the Mortgagee may require to determine whether or not to grant its consent thereto.

10.16 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 Mortgagor; and

(b) 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 Instalment, or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.

10.17 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.

10.18 GENERAL

Any payment of the Principal Sum must be received by the Mortgagee at the Mortgagee's Address by 1:00 p.m. Saskatchewan time on a Business Day, failing which such payment will be deemed to be received on the next Business Day for the purposes of the calculation of interest.

10.19 CURRENCY

All express or implied references in this Mortgage to dollars or monetary amounts are references to Canadian currency.

10.20 LAND TITLES NAME SEARCH

The Mortgagor hereby authorizes and consents to the Mortgagee, being a credit-granting corporation, conducting a name search from time to time, as the Mortgagee in its sole discretion deems necessary, including without limitation, a name search in accordance with Sections 16 and 17 of the *Land Titles Act* R.S.A. 2000, c. L-4, as amended, or in accordance with such legislation that may hereafter replace or be passed in substitution thereof.

[Remainder of Page Intentionally Blank]

The Mortgagor has hereunto duly executed this Mortgage and affixed its seal as of this 31st day of January, 2018.

112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

(c/s)

SCHEDULE "A"

to that certain Mortgage by 112 STREET NW EDMONTON PARTNERS GP INC. in favour of ADDENDA CAPITAL INC.

Lands

FIRSTLY:

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

[Continued on the following page]

Permitted Encumbrances

Instrument No.	Particulars
082 230 897	Caveat re: Lease Interest Humford Management Inc.
112 401 383	Caveat re: Lease Interest Legal Resource Centre of Alberta Ltd.
132 239 669	Caveat re: Lease Interest Victor A. Spicer Professional Corporation
132 414 342	Caveat re: Lease Interest J.G. Magathan Professional Corporation (registered against Plan B, Block 12, Lots 62 and 63 only)
162 232 022	Caveat re: Lease Interest Compass Centre for Sexual Wellness

SCHEDULE "B"

to that certain Mortgage by 112 STREET NW EDMONTON PARTNERS GP INC. in favour of ADDENDA CAPITAL INC.

Collateral Security

(a) General Assignment of Rents and Leases.

(b) Specific Assignment of Leases.

(c) Security Agreement.

(d) Environmental Indemnity.

(e) Guarantee of Canderel Enterprises Inc.

(f) Beneficial Owners Agreement.

(g) Indemnity Agreement re: Fraud and Misrepresentation of the Mortgagor.

(h) Assignment of Insurance.

SCHEDULE "C"

to that certain Mortgage by 112 STREET NW EDMONTON PARTNERS GP INC. in favour of ADDENDA CAPITAL INC.

Insurance

1. **Claims and proceeds**. If any of the property that is insured is lost or damaged, the Mortgagor must notify the Mortgagee in writing and make a claim in accordance with the insurance policy. Despite the loss or damage, the Mortgagor remains liable under the Mortgagor's obligations to the Mortgagee, and the Mortgagor must pay the payment obligations as agreed. Despite any law, the proceeds of all insurance against loss of or damage to property (including income) will, at the Mortgagor's option, either: (a) be deposited in a cash collateral account, or (b) be used to restore or replace the property, or (c) partly in one way and partly in the other. This is subject to the section headed Using insurance proceeds to restore the Lands.

2. **Our right to insure**. If the Mortgagor does not comply with any of the Mortgagor's obligations as to insurance in the Mortgage, the Mortgagee may obtain any insurance that the mortgage requires the Mortgagor to obtain or any insurance that the Mortgagee thinks is needed to protect its interest. The Mortgagee is not obliged to do so and has no responsibility to the Mortgagor for any insurance the Mortgagee obtains. Anything the Mortgagee pays under this subsection is a cost that the Mortgagor must pay.

Using the insurance proceeds to restore the Lands.

(a) **When the Mortgagor has a right to use the proceeds**. Subject to the provisions below, the Mortgagee must allow the Mortgagor to receive the insurance proceeds for a loss to the Lands, or make them available to the Mortgagor, under this section only if the other conditions in this section are met and both of the following conditions are met when the loss occurs. The principal owing under the Mortgage must be two million dollars or more. And the remaining term of the Mortgage must be one year or more.

(b) **Proceeds under $500,000**. The conditions in the subsection headed When the Mortgagor has a right to use the proceeds are met and the insurance proceeds for a loss to real estate are less than $500,000, the Mortgagee must allow the Mortgagor to receive the proceeds. The Mortgagee need not do so after anything has happened which gives the Mortgagee a right to enforce the security. The Mortgagor may make the Mortgagee a written offer to prepay the Mortgagor's payment obligations including the Yield Maintenance Fee to the extent of the insurance proceeds that are received within 30 days after the loss. If the Mortgagor does not *make this* offer, the Mortgagor must use the proceeds to restore the Lands.

(c) **Proceeds of $500,000 or more and conditions not met**. The conditions in the subsection headed When the Mortgagor has a right to use the proceeds are not met and the insurance proceeds for a loss to Lands are $500,000 or more, the Mortgagor must make the Mortgagee a written offer to prepay the Mortgagor's payment obligations including the Yield Maintenance Fee, to the extent of the insurance proceeds that are received. This offer must be made within 30 days after the loss.

(d) **Proceeds over $500,000 and conditions met.** The conditions in the subsection headed When the Mortgagor has a right to use the proceeds are met and the insurance proceeds for a loss to Lands are $500,000 or more, the Mortgagee must make them available to the Mortgagor by progress payments to pay the cost of restoring the Lands provided all the conditions set out below are met. The Mortgagor shall also be entitled to retain insurance proceeds relating to loss of rental income provided that principal and interest payments owing to the Mortgagee are made from such proceeds. The proceeds cheque will be payable to both the Mortgagor and the Mortgagee. Prior to the insurance proceeds cheque being endorsed, the Mortgagor will open a cash collateral account in which the Mortgagee will have a first charge or security interest on terms satisfactory to the Mortgagee, which will be held and invested by a third party in term deposits or certificates of deposit issued by a Canadian chartered bank listed in Schedule 1 to the *Bank Act* (Canada) or bonds issued or guaranteed by the Government of Canada or other investments approved by the Mortgagee (all costs of establishing the cash collateral account and paying the third party to control the cash collateral account will be paid by the Mortgagor). The Mortgagee will have the right to approve the identity of the third party, but the Mortgagee must act reasonably. The insurance proceeds cheque will be endorsed by the Mortgagor and the Mortgagee and the Mortgagee will deposit it into the cash collateral account. The Mortgagor will irrevocably instruct the third party to only disburse monies from the cash collateral account in accordance with the Mortgagee's instructions which will be in compliance with this Mortgage. The Mortgagee will instruct the third party that controls the cash collateral account when they may make proceeds available to the Mortgagor by progress payments to pay the cost of restoring the Lands and the amounts of those progress payments. If the Mortgagor does not want to restore the Lands, the Mortgagor must make the Mortgagee an offer to prepay the Mortgagor's payment obligations including the Yield Maintenance Fee to the extent of the insurance proceeds. This offer must be made within 90 days after the loss and the offer must be made in writing.

(i) **Preliminary conditions**. If the Mortgagor decides to restore the Lands, the following conditions must be met if the Mortgagee is to instruct the third party to pay any proceeds to the Mortgagor. Within 30 days after the loss, the Mortgagor must give the Mortgagee written notice asking the Mortgagee to make the proceeds available. Within 90 days after the loss, the Mortgagor must satisfy the Mortgagee of the following. That the restoration is commercially reasonable. That the restoration, and the Lands after it, will comply with all laws. That during the restoration all expenses will be paid and the Mortgagee will receive payment of the payment obligations as agreed. (The Mortgagee may require the Mortgagor to do that by depositing cash with the Mortgagee or giving the Mortgagee other security acceptable to the Mortgagee to cover the expenses), And that no material lease of any part of the Lands is terminated or can be terminated because of the loss and, when the restoration is completed, all material leases of the Lands will continue. The Mortgagee must within 90 days after the loss have given our written approval to the plans and specifications for the restoration (and the Mortgagee may not withhold approval unreasonably). And the Mortgagor must have started the restoration promptly after the loss and, in any event, within 120 days after the loss.

(ii) **Conditions for each payment**. The following conditions must be met when the Mortgagee instructs the third party to make each payment to the Mortgagor. The Mortgagor must have complied with the Mortgagor's obligations under the Mortgage particularly those as to work on the Lands. Nothing must have happened which gives the Mortgagee the right to enforce the security. The Mortgagor must have satisfied the Mortgagee that the proceeds retained in the cash collateral account after the payment are sufficient to pay all unpaid costs for the restoration and provide a reasonable reserve for contingencies. The Mortgagor must have given the Mortgagee a certificate signed by a professional architect or professional engineer who has been approved by the Mortgagee and has supervised the restoration the certificate must state that all the requirements of the mortgage relating to the restoration have been fulfilled. It must also set out in reasonable detail the costs of the restoration to date and the estimated costs to complete. The Mortgagor must have satisfied the Mortgagee that the Mortgagor has a right to the payment. The Mortgagor must have satisfied the Mortgagee that the payment will be used to pay the cost of restoring the Lands. The Mortgagee must have received an opinion from its lawyer that there is no encumbrance on the Lands that has priority over the Mortgage (except a Permitted Encumbrance). And not more than two years must have passed since the loss occurred.

(e) **Effect of enforcement**. When the Mortgagee can enforce the security, the Mortgagee may give the Mortgagor written notice that the Mortgagee requires proceeds of insurance to be used to reduce or pay payment obligations. When the Mortgagee does so, the Mortgagor's rights under this section come to an end as to proceeds that are then held in the cash collateral account that the Mortgagee receives after then for the same loss.

(f) **Holding proceeds**. If the investment proceeds are held in a cash collateral account, the Mortgagee need not instruct the third party to pay or credit the Mortgagor with interest on insurance proceeds while they are held in the cash collateral account. However, the third party must invest proceeds for the Mortgagor, at the Mortgagor's risk and expense, in any investment that the Mortgagor asks the third party in writing to make, provided that it is an investment that the law allows a trustee to make. Any proceeds of investment will be added to the proceeds.

For certainty, any prepayment contemplated in the sections above which do not pay the Mortgage Monies in full including the Yield Maintenance Fee shall not entitle the Mortgagor to a discharge the Mortgage or any Collateral Security.

This is **EXHIBIT "D"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0013 118 336	NB;12;61	122 280 532

LEGAL DESCRIPTION

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH
THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;52;HB
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 982 334 845

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
122 280 532	27/08/2012	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

112 STREET NW EDMONTON PARTNERS GP INC.
OF 400 2695 GRANVILLE STREET
VANCOUVER
BRITISH COLUMBIA V6H 3H4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
082 230 897	04/06/2008	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - HUMFORD MANAGEMENT INC. MILLER THOMSON LLP 2700 COMMERCE PLACE, 10155-102 ST

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		EDMONTON ALBERTA AGENT - JOHN A CROSS
112 401 383	13/12/2011	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - LEGAL RESOURCE CENTRE OF ALBERTA LTD. C/O BISHOP & MCKENZIE LLP 2500,10104-103 AVENUE EDMONTON ALBERTA T5J1V3
132 239 669	07/08/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - VICTOR A. SPICER PROFESSIONAL CORPORATION. C/O FIELD LLP SUITE 2000, 10235-101 ST EDMONTON ALBERTA T5J3G1 AGENT - TERESA M TOMKINSON
162 232 022	24/08/2016	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - COMPASS CENTRE FOR SEXUAL WELLNESS. STE 50, 9912-106 STREET EDMONTON ALBERTA T5K1C5 AGENT - CARMEN C M LEE (DATA UPDATED BY: 162238348)
182 038 067	13/02/2018	MORTGAGE MORTGAGEE - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 ORIGINAL PRINCIPAL AMOUNT: $14,600,000 (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 068	13/02/2018	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 069	13/02/2018	CAVEAT

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		RE : LEASE INTEREST CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
192 270 572	07/11/2019	CAVEAT RE : LEASE INTEREST CAVEATOR - IDP EDUCATION (CANADA) LIMITED. C/O WITTEN LLP ATTN: CHRISTINA P. SAHI 2500, 10303 JASPER AVE EDMONTON ALBERTA T5J3N6 AGENT - CHRISTINA P SAHI
222 107 759	12/05/2022	CAVEAT RE : LEASE INTEREST CAVEATOR - LAURENCE ZALMANOWITZ PSYCHOLOGY SERVICES LTD. C/O #802, 10050-112 STREET NW EDMONTON ALBERTA T5K2J1 AGENT - RONALD A SOROKIN
232 012 939	13/01/2023	BUILDER'S LIEN LIENOR - MILES HANNAN 401, 1512-16TH AVE SW CALGARY ALBERTA T3C0Z8 AGENT - J KELLY HANNAN AMOUNT: $4,777 RECEIVED SEPT 2/22

TOTAL INSTRUMENTS: 010

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
E001U20	24/02/2023	N/A	
001		CERTIFICATE OF LIS PENDENS	#122 280 532

TOTAL PENDING REGISTRATIONS: 001

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 27 DAY OF MARCH, 2023 AT 03:29 P.M.

ORDER NUMBER: 46827860

CUSTOMER FILE NUMBER: 444689.01

END OF CERTIFICATE

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0013 118 344	NB;12;61	122 280 532 +1

LEGAL DESCRIPTION

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;52;HB
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 982 334 858

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
122 280 532	27/08/2012	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

112 STREET NW EDMONTON PARTNERS GP INC.
OF 400 2695 GRANVILLE STREET
VANCOUVER
BRITISH COLUMBIA V6H 3H4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
082 230 897	04/06/2008	CAVEAT RE : LEASE INTEREST , ETC.

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		CAVEATOR - HUMFORD MANAGEMENT INC. MILLER THOMSON LLP 2700 COMMERCE PLACE, 10155-102 ST EDMONTON ALBERTA AGENT - JOHN A CROSS
112 401 383	13/12/2011	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - LEGAL RESOURCE CENTRE OF ALBERTA LTD. C/O BISHOP & MCKENZIE LLP 2500,10104-103 AVENUE EDMONTON ALBERTA T5J1V3
132 239 669	07/08/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - VICTOR A. SPICER PROFESSIONAL CORPORATION. C/O FIELD LLP SUITE 2000, 10235-101 ST EDMONTON ALBERTA T5J3G1 AGENT - TERESA M TOMKINSON
162 232 022	24/08/2016	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - COMPASS CENTRE FOR SEXUAL WELLNESS. STE 50, 9912-106 STREET EDMONTON ALBERTA T5K1C5 AGENT - CARMEN C M LEE (DATA UPDATED BY: 162238348)
182 038 067	13/02/2018	MORTGAGE MORTGAGEE - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 ORIGINAL PRINCIPAL AMOUNT: $14,600,000 (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 068	13/02/2018	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL.

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		(DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 069	13/02/2018	CAVEAT RE : LEASE INTEREST CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
192 270 572	07/11/2019	CAVEAT RE : LEASE INTEREST CAVEATOR - IDP EDUCATION (CANADA) LIMITED. C/O WITTEN LLP ATTN: CHRISTINA P. SAHI 2500, 10303 JASPER AVE EDMONTON ALBERTA T5J3N6 AGENT - CHRISTINA P SAHI
222 107 759	12/05/2022	CAVEAT RE : LEASE INTEREST CAVEATOR - LAURENCE ZALMANOWITZ PSYCHOLOGY SERVICES LTD. C/O #802, 10050-112 STREET NW EDMONTON ALBERTA T5K2J1 AGENT - RONALD A SOROKIN

TOTAL INSTRUMENTS: 009

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
E001U20	24/02/2023	N/A	
001		CERTIFICATE OF LIS PENDENS	#122 280 532 +1

TOTAL PENDING REGISTRATIONS: 001

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 27 DAY OF MARCH, 2023 AT 03:27 P.M.

ORDER NUMBER: 46827803

CUSTOMER FILE NUMBER: 444689.01

END OF CERTIFICATE

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0013 118 352	NB;12;62	122 280 532 +2

LEGAL DESCRIPTION

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;52;HB
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 982 334 876

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
122 280 532	27/08/2012	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

112 STREET NW EDMONTON PARTNERS GP INC.
OF 400 2695 GRANVILLE STREET
VANCOUVER
BRITISH COLUMBIA V6H 3H4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
082 230 897	04/06/2008	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - HUMFORD MANAGEMENT INC. MILLER THOMSON LLP 2700 COMMERCE PLACE, 10155-102 ST EDMONTON ALBERTA AGENT - JOHN A CROSS

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
112 401 383	13/12/2011	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - LEGAL RESOURCE CENTRE OF ALBERTA LTD. C/O BISHOP & MCKENZIE LLP 2500,10104-103 AVENUE EDMONTON ALBERTA T5J1V3
132 239 669	07/08/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - VICTOR A. SPICER PROFESSIONAL CORPORATION. C/O FIELD LLP SUITE 2000, 10235-101 ST EDMONTON ALBERTA T5J3G1 AGENT - TERESA M TOMKINSON
132 414 342	19/12/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - J.G. MAGATHAN PROFESSIONAL CORPORATION. 107 10050 112 ST EDMONTON ALBERTA T5K2J1 AGENT - JOHANNA G MAGATHAN
162 232 022	24/08/2016	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - COMPASS CENTRE FOR SEXUAL WELLNESS. STE 50, 9912-106 STREET EDMONTON ALBERTA T5K1C5 AGENT - CARMEN C M LEE (DATA UPDATED BY: 162238348)
182 038 067	13/02/2018	MORTGAGE MORTGAGEE - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 ORIGINAL PRINCIPAL AMOUNT: $14,600,000 (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 068	13/02/2018	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 069	13/02/2018	CAVEAT RE : LEASE INTEREST CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
192 270 572	07/11/2019	CAVEAT RE : LEASE INTEREST CAVEATOR - IDP EDUCATION (CANADA) LIMITED. C/O WITTEN LLP ATTN: CHRISTINA P. SAHI 2500, 10303 JASPER AVE EDMONTON ALBERTA T5J3N6 AGENT - CHRISTINA P SAHI
222 107 759	12/05/2022	CAVEAT RE : LEASE INTEREST CAVEATOR - LAURENCE ZALMANOWITZ PSYCHOLOGY SERVICES LTD. C/O #802, 10050-112 STREET NW EDMONTON ALBERTA T5K2J1 AGENT - RONALD A SOROKIN

TOTAL INSTRUMENTS: 010

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 27 DAY OF MARCH, 2023 AT 03:33 P.M.

ORDER NUMBER: 46827953

CUSTOMER FILE NUMBER: 444689.01

END OF CERTIFICATE

(CONTINUED)

LAND TITLE CERTIFICATE

S

LINC	SHORT LEGAL	TITLE NUMBER
0013 118 369	NB;12;63	122 280 532 +3

LEGAL DESCRIPTION

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;52;HB
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 982 334 894

REGISTERED OWNER(S)

REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
122 280 532	27/08/2012	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

112 STREET NW EDMONTON PARTNERS GP INC.
OF 400 2695 GRANVILLE STREET
VANCOUVER
BRITISH COLUMBIA V6H 3H4

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
082 230 897	04/06/2008	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - HUMFORD MANAGEMENT INC. MILLER THOMSON LLP 2700 COMMERCE PLACE, 10155-102 ST EDMONTON ALBERTA AGENT - JOHN A CROSS

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
112 401 383	13/12/2011	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - LEGAL RESOURCE CENTRE OF ALBERTA LTD. C/O BISHOP & MCKENZIE LLP 2500,10104-103 AVENUE EDMONTON ALBERTA T5J1V3
132 239 669	07/08/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - VICTOR A. SPICER PROFESSIONAL CORPORATION. C/O FIELD LLP SUITE 2000, 10235-101 ST EDMONTON ALBERTA T5J3G1 AGENT - TERESA M TOMKINSON
132 414 342	19/12/2013	CAVEAT RE : LEASE INTEREST CAVEATOR - J.G. MAGATHAN PROFESSIONAL CORPORATION. 107 10050 112 ST EDMONTON ALBERTA T5K2J1 AGENT - JOHANNA G MAGATHAN
162 232 022	24/08/2016	CAVEAT RE : LEASE INTEREST , ETC. CAVEATOR - COMPASS CENTRE FOR SEXUAL WELLNESS. STE 50, 9912-106 STREET EDMONTON ALBERTA T5K1C5 AGENT - CARMEN C M LEE (DATA UPDATED BY: 162238348)
182 038 067	13/02/2018	MORTGAGE MORTGAGEE - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 ORIGINAL PRINCIPAL AMOUNT: $14,600,000 (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 068	13/02/2018	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3

(CONTINUED)

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
		AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
182 038 069	13/02/2018	CAVEAT RE : LEASE INTEREST CAVEATOR - ADDENDA CAPITAL INC. STE 1900, 1874 SCARTH ST REGINA SASKATCHEWAN S4P4B3 AGENT - GRANT VOGEL. (DATA UPDATED BY: CHANGE OF ADDRESS 202185147)
192 270 572	07/11/2019	CAVEAT RE : LEASE INTEREST CAVEATOR - IDP EDUCATION (CANADA) LIMITED. C/O WITTEN LLP ATTN: CHRISTINA P. SAHI 2500, 10303 JASPER AVE EDMONTON ALBERTA T5J3N6 AGENT - CHRISTINA P SAHI
222 107 759	12/05/2022	CAVEAT RE : LEASE INTEREST CAVEATOR - LAURENCE ZALMANOWITZ PSYCHOLOGY SERVICES LTD. C/O #802, 10050-112 STREET NW EDMONTON ALBERTA T5K2J1 AGENT - RONALD A SOROKIN

TOTAL INSTRUMENTS: 010

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 27 DAY OF MARCH, 2023 AT 03:33 P.M.

ORDER NUMBER: 46827963

CUSTOMER FILE NUMBER: 444689.01

END OF CERTIFICATE

(CONTINUED)

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 "E"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

BENEFICIAL OWNER'S AGREEMENT

THIS AGREEMENT is made as of the 31st day of January, 2018.

BY:

112 STREET NW EDMONTON PARTNERS GP INC.
(the "General Partner")

- and -

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP
(the "Limited Partnership")

- in favour of -

ADDENDA CAPITAL INC.
(the "Lender")

WHEREAS:

A. The General Partner is the registered owner of the lands legally described in Schedule "A" attached hereto (the "Property");

B. The General Partner holds its interest in the Property and all proceeds therefrom (the "Proceeds") and all assets and personal property related thereto, situate thereon or used in connection therewith now or in the future (the "Assets") in its capacity as general partner of the Limited Partnership for and on behalf of the Limited Partnership;

C. Pursuant to a commitment letter issued by the Lender dated October 30, 2017, as may be amended, supplemented, extended or renewed from time to time (the "Commitment Letter") the Lender has agreed to provide a loan (the "Loan") to the Limited Partnership as borrower in a sum not to exceed $14,600,000.00;

D. The General Partner has executed and delivered the Commitment Letter solely in its capacity as general partner of the Limited Partnership; and

E. The Limited Partnership has authorized and directed the General Partner to execute and deliver and be bound by all of the security contemplated by the Commitment Letter including, without limitation, a Mortgage of the Property in favour of the Lender in the principal sum of $14,600,000.00 (the "Mortgage") as general partner of the Limited Partnership, a General Assignment of Rents and Leases, a Specific Assignment of Leases, a Security Agreement, an Assignment of Insurance, and an Environmental Indemnity.

NOW THEREFORE in consideration of the sum of $10.00 paid by the Lender to each of the General Partner and the Limited Partnership (the receipt and sufficiency of which are hereby acknowledged by them):

1. The Limited Partnership confirms that it is the beneficial owner of the Property, the Proceeds and the Assets and the General Partner confirms that it holds title to the Property, the Proceeds and the Assets as trustee for and on behalf of the Limited Partnership.

2. The Limited Partnership and the General Partner covenant not to transfer or charge the legal or beneficial ownership of the Property as long as money remains owing under the Loan and the Mortgage, save in accordance with the terms of the Mortgage or the Security Documents (as defined below).

3. The Limited Partnership hereby authorizes and irrevocably directs the General Partner to execute and deliver the Mortgage and such other security, information and documentation as required by the Lender, and the Limited Partnership acknowledges and confirms that such security including the Mortgage secures all obligations due and owing to the Lender pursuant to the Commitment Letter (the Mortgage and all other security, information and documentation executed and delivered by the General Partner to the Lender as well as all additional security, information and documentation to be executed and delivered to the Lender pursuant to the Commitment Letter shall be collectively referred to as the "Security Documents").

4. The Limited Partnership acknowledges that the security under the Security Documents stands as security for the performance of the covenants and the obligations of the General Partner for and on behalf of the Limited Partnership under or with respect to the Commitment Letter and the other Security Documents, that its ownership interest in the Property is charged by the Security and the Limited Partnership covenants with the Lender to do, observe, keep and perform every covenant, act, proviso, condition or stipulation contained respectively therein on the part of the General Partner to be done, observed, kept and performed.

5. The Limited Partnership hereby charges, assigns and creates a security interest in favour of the Lender as security for the indebtedness evidenced by the Mortgage, in all of its right, title and interest in and to the Property, Assets, and all contracts, leases and other agreements pertaining to the Property and income derived therefrom and all other assets, undertakings and interests charged by the Security Documents.

6. The Limited Partnership hereby postpones and subordinates any and all rights, claims and security interests which the Limited Partnership might have against the Property, the Proceeds and the Assets charged by the Security Documents or which may be charged from time to time in favour of the Lender to the obligations owed by the General Partner to the Lender under the Commitment and under the Mortgage.

7. The Limited Partnership agrees and confirms that there are no charges, liens or encumbrances existing at the date hereof in respect of its beneficial interest in the Property, the Proceeds or the Assets, except those disclosed by the registered title documents or otherwise disclosed in writing to the Lender and further covenants and agrees that it shall not grant any charge, lien or encumbrance upon its beneficial interest in the Property, the Proceeds or the Assets.

8. The recitals contained herein are true and form a part of this Agreement.

9. The Limited Partnership hereby authorizes and directs the General Partner to execute such further or other documentation as may be reasonably required by the Lender from time to time in connection with the Mortgage, the Commitment, as amended from time to time, or any other

agreement between the General Partner and the Lender from time to time, and the Limited Partnership acknowledges that any such additional document executed by the General Partner shall be deemed to be authorized by the Limited Partnership pursuant to this Agreement.

10. Any notice, demand, request, consent, agreement or approval (a "Notice") which may or is required to be given to a party hereto pursuant to this Agreement shall be in writing and sufficiently served if served personally, or if mailed by prepaid registered post or couriered to the addresses as set out below or by electronic transmission and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the 2nd Business Day after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a Business Day and is received on or before 5:00 p.m. Otherwise it will be deemed to have been received on the 1st Business Day thereafter. In this section, "Business Day" means a day, excluding Saturday and Sunday on which banks are open for commercial business in Edmonton Alberta. Each party may designate in writing a substitute address for that set forth above and which thereafter notice shall be directed to such substituted address:

(a) Each of the General Partner and the Limited Partnership, addressed as follows:

Canderel Pacific Investments Inc.
1590-505 Burrard Street
Vancouver, British Columbia V7X 1M5
Attention: Bryce Margetts, Vice-President, Western Canada

Fax No.: (604) 738-1948

- and -

Canderel Management Inc.
900-2000 Peel Street
Montreal, Quebec, H2A 2W5
Attention: Joëlle Sebag, Vice-President & General Counsel

Fax No.: (514) 982-9076

- and -

Lawson Lundell LLP
Suite 1600 Cathedral Place,
925 West Georgia Street,
Vancouver, British Columbia V6C 3L2
Attention: Peter Tolensky

Fax No.: (604) 669-1620

(b) The Lender, addressed as follows:

Addenda Capital Inc.
1920, College Avenue
Regina, Saskatchewan S4P 1C4

Fax No.: (306) 347-6276

11. This Agreement shall enure to the benefit of and shall be binding on the parties hereto and their respective successors and permitted assigns, provided that the General Partner and the Limited Partnership may not assign their respective obligations hereunder without the prior written consent of the Lender, which consent may be arbitrarily withheld.

12. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

13. This Agreement may be executed in any number of counterparts and each counterpart so executed shall be binding upon the person executing same as if such counterpart were executed by all parties.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the General Partner and the Limited Partnership have executed this Agreement as of the date first written above.

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

SCHEDULE "A"

FIRSTLY:

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH
THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

(10050 112 Street NW, Edmonton, Alberta)

This is **EXHIBIT "F"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT dated the 31st day of January, 2018.

BETWEEN:

112 STREET NW EDMONTON PARTNERS GP INC.
(herein called the "Assignor")

-and-

ADDENDA CAPITAL INC.
(herein called the "Assignee")

WHEREAS the Assignor is the registered owner of the Lands subject to the Mortgage, and has agreed to enter into this Agreement with the Assignee, as collateral security for the due payment of the moneys secured by the Mortgage and performance of the other obligations of the Assignor under the Mortgage.

NOW THEREFORE in consideration of the covenants and agreements contained in this Agreement and other valuable consideration, the sufficiency of which is hereby acknowledged, the Assignor covenants and agrees as follows:

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

   (a) "Agreement" means this agreement and any amendments or renewals thereof including the preamble and any schedules attached hereto;

   (b) "Lands" means the lands and premises legally described in Schedule "A";

   (c) "Leases" includes

      (i) every existing and future lease of and agreement to lease of the whole or any portion of the Lands;

      (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence;

      (iii) every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands;

      (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands;

   and "Lease" shall have a corresponding meaning;

(d) "Mortgage" means the mortgage of the Lands from the Assignor to the Assignee dated concurrently herewith, securing the principal sum of $14,600,000.00, and any renewals, extensions or amendments thereof;

(e) "Rents" means all rents, payments, fees, deposits and other moneys now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors, under or in respect of the Leases.

2. The Assignor hereby assigns to the Assignee, its successors and assigns, as security for the payment of the moneys secured by the Mortgage and the performance of the Assignor's other obligations thereunder until they have been fully paid and satisfied, the Leases and the Rents, and all benefits and advantages to be derived therefrom, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce the Leases and payment of the Rents in the name of the Assignor or the owner from time to time of the Lands.

3. The Assignor hereby represents and agrees that:

(a) the Assignor has not and will not without the prior written consent of the Assignee, not to be unreasonably withheld, do nor permit to be done any act having the effect of terminating, cancelling or accepting surrender of any of the Leases or of waiving, releasing, reducing or abating in any material respect any rights or remedies or obligations of any other party thereunder or in connection therewith;

(b) the Leases or the Assignor's rights thereunder, including the right to receive the Rents, have not been, nor will be altered, varied or amended, without the prior written consent of the Assignee;

(c) none of the Rents have been nor will be paid more than one month in advance (except, if so provided in the Lease, for payment of Rent for the last month of the term);

(d) there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto; and

(e) the Assignor will observe and perform in all material respects all of its obligations under each of the Leases.

4. Subject to the provisions of paragraph 3(c) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of the Leases unless and until following the occurrence and continuance of an Event of Default under the Mortgage, the Assignee shall give notice to the lessee, tenant, user, occupier, licensee or guarantor thereunder requiring payment to the Assignee.

5. Nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Lease to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases, and the Assignee shall be liable to

account only for such moneys as shall actually come into its hands, less all costs and expenses, including all its legal fees and disbursements, and other proper deductions. Moneys collected may be held in a separate account unappropriated and from time to time applied on such parts of the indebtedness of the Assignor as the Assignee may seem fit.

6. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this Agreement and assignment and whenever in the future any Lease is made, the Assignor will forthwith on the request of the Assignee advise the Assignee of the terms thereof and, if requested by the Assignee, give the Assignee, at the Assignor's expense, a specific assignment of the Lease or the Rents thereunder in form satisfactory to the Assignee.

7. The Assignor further agrees that it will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord of a similar property would accept or expect to receive for the premises to be leased.

8. This Agreement and assignment is collateral security only for the due payment and performance of all other obligations under the Mortgage. None of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by this assignment. Following registration of a discharge of the Mortgage, this assignment shall be of no further force or effect with respect to the Lands and the Leases and Rents from the Lands shall be deemed to have been thereby released and reassigned to the Assignor.

9. Any notice, demand, request, consent, agreement or approval (a "Notice") which may or is required to be given to a party hereto pursuant to this Agreement shall be in writing and sufficiently served if served personally, or if mailed by prepaid registered post or couriered to the addresses as set out below or by electronic transmission and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the 2nd Business Day after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a Business Day and is received on or before 5:00 p.m. Otherwise it will be deemed to have been received on the 1st Business Day thereafter. In this section, "Business Day" means a day, excluding Saturday and Sunday on which banks are open for commercial business in Edmonton Alberta. Each party may designate in writing a substitute address for that set forth above and which thereafter notice shall be directed to such substituted address:

(a) The Assignor, addressed as follows:

Canderel Pacific Investments Inc.
1590-505 Burrard Street
Vancouver, British Columbia V7X 1M5
Attention: Bryce Margetts, Vice-President, Western Canada

Fax No.: (604) 738-1948

- and -

Canderel Management Inc.
900-2000 Peel Street
Montreal, Quebec, H2A 2W5
Attention: Joëlle Sebag, Vice-President & General Counsel

Fax No.: (514) 982-9076

- and -

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver, British Columbia V6C 3L2
Attention: Peter Tolensky

Fax No.: (604) 669-1620

(b) The Assignee, addressed as follows:

Addenda Capital Inc.
1920, College Avenue
Regina, Saskatchewan S4P 1C4
Fax No.: (306) 347-6276

10. This Agreement will enure to the benefit of, be binding upon and enforceable by the parties and their respective successors and permitted assigns.

11. This Agreement will be governed by and construed and enforced in accordance with the laws of the Province of Alberta excluding any conflicts of laws, rules or principles which might refer such construction to the laws of another jurisdiction.

12. Any provision hereof that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

13. The waiver of any breach of any term or condition of this Agreement will not be deemed to constitute the waiver of any other breach of the same or any other term or condition.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the day and year first above written.

112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

SCHEDULE "A"

THE LANDS

FIRSTLY:

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER
THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH
THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

This is **EXHIBIT "G"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

SPECIFIC ASSIGNMENT OF LEASES

BY:

112 STREET NW EDMONTON PARTNERS GP INC.
(the "Assignor")

- in favour of -

ADDENDA CAPITAL INC.
(the "Assignee")

WHEREAS:

A. The Assignor is the registered owner of the Lands and the Assignor has granted a Mortgage in favour of the Assignee as security for a loan, and the Assignee has requested that in connection with the loan, the Assignor grant in favour of the Assignee certain security instruments including the Mortgage which grants a fixed charge on the Lands in favour of the Assignee;

B. Pursuant to the Leases, the Assignor or its predecessor in title has leased to the Tenants or its predecessor the Leased Premises, all upon the terms, conditions and covenants as set forth in the Leases;

C. At the request of the Assignee, the Assignor has agreed to assign the Leases to the Assignee as security for the payment of the Indebtedness.

NOW THEREFORE in consideration of the Assignee agreeing to make a loan to the Assignor, and in consideration of the mutual covenants and agreements herein contained (the receipt and sufficiency of which is hereby acknowledged by all parties hereto), the parties covenant and agree as follows:

Definitions

1. In this Agreement:

   (a) "Agreement" means this assignment of leases and includes any amendments or renewals thereof, including the preamble and any schedules attached hereto;

   (b) "Business Day" means days other than Saturdays, Sundays and Statutory Holidays on which banks are open for commercial business in Edmonton, Alberta;

   (c) "Indebtedness" means, collectively, at any time, all outstanding advances made by the Assignee to the Assignor, interest outstanding on all such advances, all outstanding fees payable to the Assignee by the Assignor hereunder or elsewhere, all costs, charges and expenses of or incurred by the Assignee in connection with this Agreement and any security taken or which may be taken by the Assignee (including, without limitation, costs as between a solicitor and his own client on a full indemnity basis), and all other outstanding obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the Assignor to the Assignee whether arising from or directly or indirectly related to this Agreement or any other Agreement or otherwise howsoever, and whether the Assignor be bound alone or with another or others and whether as principal, surety or guarantor;

(d) "Lands" means those certain lands and premises legally described in Schedule "A" attached hereto, and includes all buildings, improvements and fixtures now or hereafter situate thereon;

(e) "Leases" means those certain agreements in writing, together with any guarantees or indemnities thereof and together with any amendments thereto or renewals thereof, particulars of which are attached hereto as Schedule "B";

(f) "Leased Premises" means that portion of the Lands leased to the Tenants as more particularly described in the Leases;

(g) "Mortgage" means that certain mortgage in writing dated concurrently herewith and executed by the Assignor granting a first fixed mortgage and charge against the Lands in favour of the Assignee;

(h) "Rents" means any and all rents, payments, fees, deposits, or consideration due or to accrue due from Tenants in respect of the Lands or the Leases and any and every part thereof;

(i) "Tenants" means the tenants described in the Leases.

Assignment

2. The Assignor does hereby grant, assign, transfer and set over to the Assignee all of its right, title and interest in the Leases and the Rents; and also the full benefit of all powers and of all covenants and provisos contained in the Leases, with full power and authority to use the name of the Assignor, and its successors and assigns in enforcing the performance of all covenants and other matters and things contained in the Leases. Provided however that until such time as the Assignee exercises its rights hereunder the Assignor shall be at liberty (subject to the terms hereof) to exercise its rights under the Leases and shall be subject to all of its obligations as landlord under the Leases.

Assignor's Covenants

3. The Assignor covenants with the Assignee as follows:

(a) it shall promptly and fully perform all covenants to be performed by it pursuant to the Leases;

(b) it shall not, without the prior written consent of the Assignee, not to be unreasonably withheld, materially alter or modify or renegotiate the terms of the Leases (except as permitted for in the Leases) or grant any concession thereunder, consent to any assignment or sublease, discharge, surrender, terminate, cancel or assign the Leases;

(c) it shall not, without the prior written consent of the Assignee not to be unreasonably withheld, assign, mortgage, hypothecate, pledge or otherwise deal with the Leases;

(d) it shall give notice to the Assignee within 10 days of any material default by the Assignor or the Tenants pursuant to the Leases, and shall (short of termination of the Leases unless the Assignee gives its prior approval), at the Assignor's cost and expense enforce

the performance and observance of each and every covenant contained in the Leases; and

(e) it has the right to enter into this Agreement and has not previously assigned or granted any security interest in the Leases or the Rents.

Status of Leases

4. The Assignor represents to and in favour of the Assignee as follows:

(a) the Leases are as described in Schedule "B";

(b) the Tenants are in actual possession of the Leased Premises;

(c) there are no zoning ordinances, regulations, bylaws, title or other defects which would restrict, limit or prevent or impair the Tenants from carrying out their operations on the Lands;

(d) none of the Rents has been or will be paid more than one (1) month in advance (except if so provided in the Lease for the rents for the last month of the term);

(e) to the Assignor's knowledge, after due inquiry, the Assignor is not in default of any of its respective obligations under and pursuant to the Leases;

(f) the Tenants have no claims, charges, defences, rights of set-off, liens, abatements, or counterclaims against the Assignor in respect of basic rent or otherwise, and

(g) the Leases are valid, subsisting and in good standing.

Payments in Trust

5. The Leases will not be surrendered or amended in any material respect without the prior written consent of the Assignee. Further, any sums of money received by the Assignor with respect to the surrendering or proposed surrendering or amending of the Leases shall be held in trust by the Assignor and paid by the Assignor to the Assignee on demand upon an Event of Default under the Mortgage which remains uncured.

Default

6. The Assignor shall collect all Rents payable under the Leases by the Tenants and the Tenants shall pay all Rents under the Leases to the Assignor, but upon and during the continuance of an Event of Default under the Mortgage, the Assignee may notify the Tenants or any of them that the Tenants or any of them are to pay all Rents to the Assignee, whereupon, that Tenant shall pay all Rents due under the Leases to the Assignee.

7. The Assignor specifically authorizes the Tenants to accept the notice described in paragraph 6 above as conclusive proof that the Tenants are required to pay such Rent to the Assignee.

8. The Assignee shall not, by reason of these presents, or otherwise, be responsible to the Assignor for the collection of the Rents under the Leases, or for the non-performance of any of the covenants and provisos contained in the Leases, nor shall the Assignee be held responsible for

failure to collect Rents or otherwise enforce the Leases, but shall be responsible and accountable only for such monies as are actually paid to the Assignee.

9. Neither these presents nor anything in connection therewith shall be construed to amend the terms of the Mortgage or extend the time for payment of the Indebtedness.

10. The Assignee shall not by virtue of these presents, be deemed a mortgagee in possession of the Lands.

11. The Assignor shall and does hereby indemnify and save harmless the Assignee from and against any and all actions, proceedings, claims, losses, damages, demands and costs of any and all kinds whatsoever arising directly or indirectly from any breach of the Leases by the Assignor, its servants, agents, contractors and employees.

Estoppel

12. At any time upon reasonable request by the Assignee, the Assignor shall acknowledge and deliver to the Assignee, or such person as may be designated by the Assignee, a certificate stating whether or not there is any existing default by either party under the Leases, and if there is any such default, specifying the nature and extent thereof; and stating whether or not there are any rights of set-off, defences or counterclaims with respect to the enforcement of the obligations to be performed by the Assignor or the Tenant under the Leases.

Collateral Security

13. The Assignor agrees that this Agreement is granted as collateral security for the due payment of the Indebtedness and the performance and observance of all covenants and conditions contained in the Mortgage and none of the rights or remedies of the Assignee shall be delayed or in any way prejudiced by this Agreement. Notwithstanding any variation or release of the terms of any security now or hereafter granted by the Assignor to secure the Indebtedness, or any extension of time for payment thereof, or any foreclosure with respect to the Lands, the Leases and Rents and all other benefits and advantages hereby assigned shall continue as collateral security until the Indebtedness is fully paid and satisfied.

Notices

14. Any notice, demand, request, consent, agreement or approval (a "Notice") which may or is required to be given to a party hereto pursuant to this Agreement shall be in writing and sufficiently served if served personally, or if mailed by prepaid registered post or couriered to the addresses as set out below or by electronic transmission and every such notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the 2nd business date after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a Business Day and is received on or before 5:00 p.m. Otherwise it will be deemed to have been received on the 1st Business Day thereafter. In this section, "Business Day" means a day, excluding Saturday and Sunday on which banks are open for commercial business in Edmonton Alberta. Each party may designate in writing a substitute address for that set forth above and which thereafter notice shall be directed to such substituted address:

(a) The Assignor, addressed as follows:

Canderel Pacific Investments Inc.
1590-505 Burrard Street
Vancouver, British Columbia V7X 1M5
Attention: Bryce Margetts, Vice-President, Western Canada

Fax No.: (604) 738-1948

- and -

Canderel Management Inc.
900-2000 Peel Street
Montreal, Quebec, H2A 2W5
Attention: Joëlle Sebag, Vice-President & General Counsel

Fax No.: (514) 982-9076

- and -

Lawson Lundell LLP
Suite 1600 Cathedral Place
925 West Georgia Street,
Vancouver, British Columbia V6C 3L2
Attention: Peter Tolensky

Fax No.: (604) 669-1620

(b) The Assignee, addressed as follows:

Addenda Capital Inc.
1920, College Avenue
Regina, Saskatchewan S4P 1C4
Fax No.: (306) 347-6276

General

15. This Agreement shall enure to the benefit of and be binding upon the Assignor and its successors and assigns.

16. 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.

17. 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.

18. This Agreement shall be governed by the laws of the Province of Alberta and the parties submit to the jurisdiction of the Courts of Alberta.

IN WITNESS WHEREOF the parties have properly executed this Agreement this 31st day of January, 2018.

112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

SCHEDULE "A"

TO THAT CERTAIN ASSIGNMENT OF LEASE MADE BY 112 STREET NW EDMONTON PARTNERS GP INC. (AS ASSIGNOR) IN FAVOUR OF ADDENDA CAPITAL INC. (AS ASSIGNEE)

FIRSTLY:

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH
THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"

TO THAT CERTAIN ASSIGNMENT OF LEASE MADE BY 112 STREET NW EDMONTON PARTNERS GP INC. (AS ASSIGNOR) IN FAVOUR OF ADDENDA CAPITAL INC. (AS ASSIGNEE)

1. Lease dated September 19, 2017 between 112 Street NW Edmonton Partners GP Inc. as Landlord, and Humford Management Inc., as Tenant;

2. Lease dated the 7th day of April, 1997, as amended by a First Lease Amending Agreement dated August 25, 1998, a Second Lease Amending Agreement dated November 1, 1999, a Third Lease Amending Agreement dated July 1, 2000, an Amending Agreement dated October 1, 2000, a Lease Renewal Agreement dated October 24, 2001, a Consent to Change in Control dated November 6, 2001, a Second Lease Renewal Agreement dated October 1, 2004, a Consent to Assignment and Change in Control dated October 31, 2006, a Third Lease Renewal Agreement dated August 14, 2009, a Letter Agreement dated November 24, 2010, a Lease Amending Agreement dated July 5, 2010, a Lease Amending Agreement dated May 27, 2014, and an Agreement to Extend Lease dated November 6, 2015 between 112 Street NW Edmonton Partners GP Inc. as Landlord, and CBI Home Health (AB) Limited Partnership by its General Partner AETAS Health Care (GP) Inc., as Tenant;

3. Lease dated July 1, 2017 between 112 Street NW Edmonton Partners GP Inc. as Landlord, and RGN Alberta XII Limited Partnership by its General Partner RGN General Partner Holdings Corp., as Tenant;

4. Lease dated August 22, 2017 between 112 Street NW Edmonton Partners GP Inc. as Landlord, and Aroma Therapy Wholistics Centre Ltd. and Wholistics Health Training & Research Centre Ltd., as Tenant;

5. Leases dated April 1, 2015 and March 27, 2017, respectively, between 112 Street NW Edmonton Partners GP Inc., as Landlord, and Tytec General Partnership, as Tenant

This is **EXHIBIT "H"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

SECURITY AGREEMENT

BY:

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP
by its general partner
112 STREET NW EDMONTON PARTNERS GP INC.

- in favour of -

ADDENDA CAPITAL INC.

WHEREAS:

A. The Lender has agreed to lend the Debtor the principal sum of $14,600,000.00 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, (jointly and severally, where more than one party comprise 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) "Business Days" means days other than Saturdays, Sundays and statutory holidays;

(b) "Collateral" means the property described in Schedule "A" attached hereto;

(c) "Debtor" means 112 Street NW Edmonton Partners Limited Partnership by its general partner 112 Street NW Edmonton Partners GP Inc. and includes its successors and permitted assigns;

(d) "Event of Default" means an Event of Default as defined in the Land Mortgage;

(e) "Indebtedness" means and includes, without limitation, any and all obligations, indebtedness and liability of every kind and description payable by the Debtor to the Lender secured by the Land Mortgage (including but not limited to principal, interest thereon and all other costs, fees, charges or expenses that may become payable on a full indemnity basis), whether now or hereafter owed, direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wheresoever and howsoever incurred, any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter

incurred again and whether the Debtor be bound alone or with another or others and whether as principal, security, surety or otherwise;

(f) "Land Mortgage" means that certain mortgage executed by 112 Street NW Edmonton Partners GP Inc., in favour of the Lender, dated the 31st day of January, 2018, as may be amended in writing from time to time;

(g) "Lender" means Addenda Capital Inc.;

(h) "Mortgaged Lands" means the lands which are the subject of the Land Mortgage and which are described in Schedule "A" attached hereto;

(i) "Permitted Encumbrances" means those encumbrances permitted by the Lender in writing;

(j) "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 grants, assigns, mortgages, pledges and charges and grants a first security interest in the Collateral to and in favour of the Lender.

2.2 The Debtor agrees that:

(a) it intends the Security Interest hereby granted in the Collateral to attach upon the execution of this Security Agreement;

(b) 112 Street NW Edmonton Partners GP Inc. is the sole legal owner of and is in possession of the Collateral in trust for the beneficial owner 112 Street NW Edmonton Partners Limited Partnership, free and clear of all liens, charges, claims, encumbrances and Security Interests other than the Permitted Encumbrances;

(c) it intends the Security Interest hereby granted in after-acquired property to attach at the same time as the Debtor acquires rights in the after-acquired property;

(d) value has been given to the Debtor by the Lender.

ARTICLE 3
INSURANCE

3.1 The Debtor does hereby covenant, promise and agree, subject to the terms and conditions of the Land Mortgage with the Lender to:

(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 and 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;

(e) if the Debtor defaults in the covenants set out herein then the Lender may, in addition to any other rights and remedies it may have hereunder, but shall not be required to, effect such insurance at the cost of and for the benefit of the Debtor.

ARTICLE 4
DEBTOR'S COVENANTS

4.1 The Debtor does hereby covenant, promise and agree with the Lender that:

(a) it 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) it 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 (other than the Permitted Encumbrances);

(c) it 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, with reasonable notice to the Debtor, 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) when so directed by the Lender, the Debtor shall execute, issue and deliver such supplemental or collateral security agreements as may be required by the Lender acting reasonably, for any one or more of the following purposes in the sole discretion of the Lender:

(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) 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;

(iii) the details and serial numbers of any Collateral disposed of or hereafter acquired by the Debtor.

other than in the ordinary course of business where the Debtor replaces the Collateral with similar personal property of at least the same value.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 The Debtor represents and warrants to and in favour of the Lender that:

(a) 112 Street NW Edmonton Partners GP Inc. 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) 112 Street NW Edmonton Partners Limited Partnership is, and shall be during the existence of this Security Agreement, a duly constituted and validly existing limited partnership under the laws of the Province of Alberta;

(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 and during the continuance 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 which has not been cured within 3 Business Days after notice of the Event of Default has been given by the Lender to the Debtor, the Lender shall immediately be at liberty to take any and all proceedings for better securing to itself and for enforcing this Security Agreement and for obtaining payment of the Indebtedness, and without limiting the generality of the foregoing, the Lender may thereupon take immediate possession of the Collateral, and for this purpose it shall and may 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; and upon and from and after the taking of possession of any of such Collateral, it shall and may be lawful for the Lender, and it is hereby authorized and empowered to use the Collateral, to dispose of the Collateral or any of it 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, and 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 in the case of a deficiency the Debtor shall be liable therefor. 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 pursuant to this Security Agreement, or at law or in equity, the Lender may in writing appoint any person or persons whether an officer or officers or employee or employees of the Lender, or not, 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 is conclusively 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 in any way 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 applied in or towards satisfaction of the Indebtedness;

(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;

(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, if the Security Interest hereby granted becomes enforceable, 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; and

(g) 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 or any officer, servant or agent thereof, including without limitation, any Receiver or the Sheriff, 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 be entitled but shall not be required to pay the whole or any part of any lien, mortgage, charge, encumbrance or Security Interest affecting the Collateral and shall, to the extent of such payment be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party so paid off, 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 respecting the Indebtedness or securing the performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Lender's right to interest at the rate and times stipulated in the Land Mortgage on any monies which are owing to the Lender and such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided for in the Land Mortgage until the judgment has been paid in full.

8.2 The Lender may at any time release any of the Mortgaged Lands, the Collateral or any collateral security, either with or without any consideration therefor, and without being accountable for the value thereof, or for any money except what is actually received, and without thereby releasing or affecting any other of the Collateral or any of the covenants or agreements herein contained or releasing any surety or other security.

8.3 All fees and expenses incurred by the Lender for drawing and registering this Security Agreement, and for examining the Collateral and the title thereto, and 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 be added to and form part of the Indebtedness secured hereby, shall bear interest at the rate and in the manner set out in the Land Mortgage, shall be repayable on demand and shall be a charge on the Collateral.

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 any Schedule(s) attached hereto shall be and form part thereof.

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; and in any case where this Security Agreement is executed by more than one Debtor, all covenants and agreements herein contained shall be construed and enforced 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.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the 31st day of January, 2018.

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Per: _____

SCHEDULE "A"

to that certain Security Agreement made by 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC. (as Debtor) in favour of ADDENDA CAPITAL INC. (as Lender).

Description of the Collateral

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, AND INTANGIBLES AND INSURANCE PROCEEDS.

EXCEPT: GOODS not ordinarily located on, arising from or used or acquired in connection with the lands described below and INVENTORY, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, AND INTANGIBLES AND INSURANCE PROCEEDS not arising from or used or acquired in connection with the lands described below or the business or affairs carried on at the lands described below.

The FINANCING STATEMENT may include the following or such other registration as the Lender sees fit:

Additional Information

The foregoing is limited to all present and after acquired personal property now or hereafter located on, arising from or used or acquired in connection with the lands described below (and any other legal descriptions by which such lands may be described whether by subdivision, condominiumization or otherwise) or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the lands and all accessions thereto and substitutions therefor:

FIRSTLY:

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

[Continued on the following page]

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH
THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

(10050 112 Street NW, Edmonton, Alberta)

This is **EXHIBIT "I"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16012759

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 292493.83

Search ID #: Z16012759 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:21:11

Business Debtor Search For:

112 STREET NW EDMONTON PARTNERS GP INC.

Both Exact and Inexact Result(s) Found

NOTE:

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

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

112 STREET NW EDMONTON PARTNERS GP INC.

Search ID #: Z16012759 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:21:11

Registration Number: 18012630193
Registration Date: 2018-Jan-26
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2043-Jan-26 23:59:59

Exact Match on:	Debtor	No: 2
Inexact Match on:	Debtor	No: 1

Amendments to Registration

20060926593	Amendment	2020-Jun-09

Debtor(s)

Block		Status
1	112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	Current
2	112 STREET NW EDMONTON PARTNERS GP INC. 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	Current

Secured Party / Parties

Block		Status
1	ADDENDA CAPITAL INC. 1920 COLLEGE AVENUE REGINA, SK S4P 1C4	Deleted by 20060926593
2	ADDENDA CAPITAL INC. SUITE 1900 - 1874 SCARTH REGINA, SK S4P 4B3 Email: mortgages.info@addendacapital.com	Current by 20060926593

Collateral: General

Block	Description	Status
1	All present and after-acquired personal property and proceeds.	Current
2	All proceeds of every item or kind including but not limited to trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments and insurance payments, instruments, investment property, intangibles, documents of title, money and any other property or obligations received when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of.	Current

Particulars

Block	Additional Information	Status
1	The foregoing is limited to all present and after acquired personal property now or hereafter located on, arising from or used or acquired in connection with lands legally described as: FIRSTLY: PLAN (B) BLOCK TWELVE (12) THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61) EXCEPTING THEREOUT: ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF. EXCEPTING THEREOUT ALL MINES AND MINERALS SECONDLY: PLAN (B) BLOCK TWELVE (12) LOT SIXTY ONE (61) EXCEPTING THEREOUT: THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT EXCEPTING THEREOUT ALL MINES AND MINERALS THIRDLY: PLAN B BLOCK 12 LOT 62 EXCEPTING THEREOUT ALL MINES AND MINERALS FOURTHLY: PLAN B BLOCK 12 LOT 63 EXCEPTING THEREOUT ALL MINES AND MINERALS and municipally described as 10050 112 Street NW, Edmonton, Alberta (and any other legal descriptions by which such lands may be described whether by subdivision in, condominiumization or otherwise) or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the lands and all accessions thereto and substitutions therefor.	Current

Search ID #: Z16012759

Note:

The following is a list of matches closely approximating your Search Criteria, which is included for your convenience and protection.

Debtor Name / Address	Reg.#
112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	18012630193

SECURITY AGREEMENT

Result Complete

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16012756

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 292493.83

Search ID #: Z16012756 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:20:48

Business Debtor Search For:

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP

Both Exact and Inexact Result(s) Found

NOTE:

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

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP

Search ID #: Z16012756 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:20:48

Registration Number: 18012630193
Registration Date: 2018-Jan-26

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2043-Jan-26 23:59:59

Exact Match on:	Debtor	No: 1
Inexact Match on:	Debtor	No: 2

Amendments to Registration

20060926593	Amendment	2020-Jun-09

Debtor(s)

Block		Status
1	112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	Current
2	112 STREET NW EDMONTON PARTNERS GP INC. 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	Current

Secured Party / Parties

Block		Status
1	ADDENDA CAPITAL INC. 1920 COLLEGE AVENUE REGINA, SK S4P 1C4	Deleted by 20060926593
2	ADDENDA CAPITAL INC. SUITE 1900 - 1874 SCARTH REGINA, SK S4P 4B3 Email: mortgages.info@addendacapital.com	Current by 20060926593

Collateral: General

Block	Description	Status
1	All present and after-acquired personal property and proceeds.	Current
2	All proceeds of every item or kind including but not limited to trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments and insurance payments, instruments, investment property, intangibles, documents of title, money and any other property or obligations received when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of.	Current

Particulars

Block	Additional Information	Status
1	The foregoing is limited to all present and after acquired personal property now or hereafter located on, arising from or used or acquired in connection with lands legally described as: FIRSTLY: PLAN (B) BLOCK TWELVE (12) THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61) EXCEPTING THEREOUT: ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF. EXCEPTING THEREOUT ALL MINES AND MINERALS SECONDLY: PLAN (B) BLOCK TWELVE (12) LOT SIXTY ONE (61) EXCEPTING THEREOUT: THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT EXCEPTING THEREOUT ALL MINES AND MINERALS THIRDLY: PLAN B BLOCK 12 LOT 62 EXCEPTING THEREOUT ALL MINES AND MINERALS FOURTHLY: PLAN B BLOCK 12 LOT 63 EXCEPTING THEREOUT ALL MINES AND MINERALS and municipally described as 10050 112 Street NW, Edmonton, Alberta (and any other legal descriptions by which such lands may be described whether by subdivision in, condominiumization or otherwise) or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the lands and all accessions thereto and substitutions therefor.	Current

Search ID #: Z16012756

Note:

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Debtor Name / Address	Reg.#
112 STREET NW EDMONTON PARTNERS GP INC. 400, 2695 GRANVILLE STREET VANCOUVER, BC V6H 3H4	18012630193

SECURITY AGREEMENT

Result Complete

This is **EXHIBIT "J"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

GUARANTEE

CANDEREL ENTERPRISES INC.

TO

ADDENDA CAPITAL INC.

GUARANTEE

WHEREAS:

A. The Lender has loaned monies to the Borrower in the amounts and upon the terms and conditions set forth in the Security.

B. As a condition of advancing a loan the Lender has required that the Guarantor execute and deliver this Guarantee.

NOW THEREFORE, IN CONSIDERATION of the Lender advancing a loan to the Borrower, and, of the sum of $10.00 now paid by the Lender to the Guarantor, the receipt and sufficiency of which is hereby acknowledged, the Guarantor covenants as follows:

1. All Schedules referred to herein and attached hereto shall be incorporated into and shall form a part of this Guarantee. The Schedules are as follows:

   (a) Schedule "A" - a description of the "Lender", the "Borrower" and the "Guarantor";

   (b) Schedule "B" – a description of the "Security"; and

   (c) All terms which are defined in the Schedules and which are used herein shall have the meanings set forth in said Schedules.

2. The Guarantor:

   (a) unconditionally and absolutely guarantees to the Lender repayment of, without limitation, any and all obligations, indebtedness and liability of every kind and description payable by the Borrower to the Lender (including but not limited to principal, interest thereon and all other costs, fees, charges or expenses that may become payable on a full indemnity basis) secured by the Security described in Schedule "B", whether now or hereafter owed, direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wheresoever and howsoever incurred, any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Borrower be bound alone or with another or others and whether as principal, security, surety or otherwise (collectively, the "Indebtedness").

   (b) unconditionally and absolutely guarantees to the Lender the performance and observance of all terms, conditions, covenants and agreements contained in the Security, including without limitation any covenants with respect to the matter of security deposits and statutory interest thereon.

3. Notwithstanding the foregoing and any other provision of this Guarantee, this Guarantee is limited so that if the Guarantor pays to the Lender the aggregate of the following (in addition to all payments received by the Lender from all sources and in addition to all money paid to the Lender by the Borrower, third parties or otherwise or previously paid by the Guarantor under the Security before default), then in such event the Guarantor shall be released under this Guarantee:

   (a) the principal sum of $4,000,000.00;

(b) interest on this principal sum of $4,000,000.00 computed from the date of demand by the Lender upon the Guarantor at the Interest Rate (defined in the Mortgage), and

(c) the Lender's legal costs on a solicitor and his own client basis incurred to enforce this Guarantee.

4. (a) As between the Lender and the Guarantor, the Guarantor is and shall continue to be liable as a principal debtor under and pursuant to all of the terms, conditions, covenants and agreements contained in the Security, notwithstanding:

(i) any transaction which may take place between the Lender and the Borrower and whether or not the Guarantor has been given notice of such transaction and whether or not the Guarantor has consented thereto, including without limitation, an increase or decrease in the principal amount, interest rate, term, amortization period, monthly payments and payment dates; and

(ii) any act, omission, neglect or default of the Lender which might otherwise operate as a discharge, either partial or absolute, of the Guarantor, and, whether or not the Guarantor has been given notice of such act, omission, neglect or default and whether or not the Guarantor has consented thereto;

(b) Without restricting the generality of the foregoing, as between the Lender and the Guarantor, the Guarantor is and shall continue to be liable as a principal debtor under and pursuant to all of the terms, conditions, covenants and agreements contained in the Security, notwithstanding:

(i) the Lender failing to or abstaining from perfecting the Security;

(ii) the release, discharge, renewal, modification, variation or amendment, in whole or in part, of the Security (including without restriction any increase or decrease in the interest rate, the amortization period or the monthly payments or any extension or reduction in the length of the term as set forth in the Security) or the properties and assets mortgaged or charged thereby;

(iii) the granting of any time or other indulgences to the Borrower or anyone else now or hereafter liable to the Lender in respect of the Indebtedness or the Security;

(iv) the taking of additional or collateral security or additional guarantees by the Lender;

(v) the Lender failing to or abstaining from realizing upon the Security;

(vi) the acceptance, by the Lender, of any composition or arrangement involving the Security, or the variation or termination of any contract or agreement between the Borrower and the Lender;

(vii) the release, howsoever obtained or caused, of the Borrower from any or all obligations owed to the Lender;

(viii) the bankruptcy, death or dissolution of the Borrower;

(ix) the transfer of the Borrower's obligations under the Security to the Lender or to anyone else, with or without the release of the Borrower and with or without consent of the Lender or the Guarantor; or

(x) the termination, for any cause or reason whatsoever, of any right of the Lender held as against the Borrower or anyone else.

The Lender, in its absolute discretion and without diminishing the liability of the Guarantor, or incurring any responsibility or liability to the Guarantor, may do, commit or cause all acts, omissions and results which are contemplated by the foregoing subparagraphs (i) through (x).

5. Any account settled or stated by or between the Lender and the Borrower, or admitted by or on behalf of the Borrower, may be adduced by the Lender and, shall in that case, be conclusive evidence as against the Guarantor that the balance or amount appearing therein is the sum of money due by the Borrower to the Lender.

6. The Guarantor shall not, at any time, claim to be subrogated, in any manner, to the position of the Lender and shall not claim the benefit of any Security at any time held by the Lender, however, in the event that the Indebtedness or the Security is in default and demand has been made upon the Guarantor to repay all of the Indebtedness then outstanding and all other money owing hereunder, then upon all of the Indebtedness being repaid, the Guarantor shall be entitled, on demand made by it in writing to the Lender, to the assignment of so much of the Security, if any, which remains in the Lender's possession at the time of receipt of the said payment.

7. The Lender:

(a) prior to becoming entitled to payment from the Guarantor shall not be bound to exhaust its legal remedies against:

(i) the Borrower;

(ii) any other parties; or

(iii) the Security or any additional or collateral security which it may hold; and

(b) may enforce the Security then held by it or any part thereof in such order and manner as the Lender may determine.

8. The obligations of the Guarantor hereunder shall be direct and unconditional and independent of the obligations of the Borrower, and a separate action or actions may be brought and maintained against the Guarantor without the necessity of joining or previously proceeding against or exhausting any other remedy against the Borrower, or any Security then held. Without limiting the generality of the foregoing, the Lender shall not be required to take legal proceedings by way of foreclosure against any mortgaged lands prior to commencing legal proceedings to enforce this Guarantee.

9. If or Event of Default (as referenced in the Commitment Letter or Mortgage referred to in Schedule "B" hereto) has occurred and is continuing, the Guarantor shall forthwith, without the necessity of demand from the Lender, pay to the Lender all principal monies, interest, costs and

charges due by virtue of the Security and this Guarantee. In the event of the Guarantor's failure to so pay, the outstanding sum may be recovered by the Lender against the Guarantor as a just debt due and improperly withheld and it is the express intention and agreement of the Guarantor and the Lender that the Guarantor shall fully and totally indemnify the Lender for all costs, expenses, charges and monies of any nature whatsoever, including, without restriction, all legal costs as between a solicitor and his own client either directly or indirectly, arising out of or associated with the enforcement of this Guarantee and the collection of all monies owing hereunder by the Guarantor to the Lender.

10. Notwithstanding anything set forth in the Security, the Lender shall not, in any way, be responsible for either the holding or the supervision of the policies of insurance which are required to be maintained pursuant to covenants to insure which may be contained in the Security, nor verification of compliance with respect to any such covenants to insure, it being acknowledged by the Guarantor that the Lender's ability to place insurance with respect to the Security is permissive and is exercisable at the Lender's sole and absolute discretion. The Lender's action, or lack thereof, in holding, supervising, verifying or exercising its permissive powers shall in no way diminish the Guarantor's liability hereunder.

11. It is expressly acknowledged and agreed by the Guarantor that should the Lender obtain a judgment or judgments from a Court of competent jurisdiction pursuant to a default by the Guarantor with respect to any of the covenants contained herein, then interest shall accrue, be calculated, and be payable to the Lender by the Guarantor upon that judgment or judgments at the rate of interest per annum and at the times as are stipulated in the Security. Such interest shall commence on the date that judgment is granted and shall continue to be payable until the judgment monies, including accrued interest, have been paid to the Lender subject to the limits set out in paragraph 3 above.

12. There have been no representations whatsoever, either written or oral, made to or relied upon by the Guarantor other than those contained herein. This Guarantee may be amended only by an agreement in writing executed by both the Lender and the Guarantor.

13. In its absolute discretion, the Lender may obtain from anyone else an additional guarantee or guarantees of the loan and indebtedness evidenced and secured by the Security. The taking of any additional guarantee by the Lender shall not reduce the liability of the Guarantor, which liability shall be joint and several with any other guarantor.

14. The Guarantor's liability shall not be diminished or affected, where any person expected or believed by the Guarantor to be or to become an additional guarantor, is not an additional guarantor and does not for any reason whatsoever become an additional guarantor. Further, the Guarantor's liability shall not be diminished or affected by any transaction whatsoever which may take place between the Lender and any other guarantor, including but not restricted to any act, omission, neglect or default of the Lender which may vary or terminate in whole or in part the liability of such other guarantor.

15. The Guarantor hereby expressly states that notwithstanding the provisions of s. 48 of the *Law of Property Act*, R.S.A. 2000, c. L-7, as amended from time to time, the taking of an Order for Foreclosure by the Lender shall in no manner whatsoever release the Guarantor from the obligations and covenants set forth herein and without restriction and for certainty the Guarantor shall continue at all times to remain liable to the Lender until all of the Indebtedness has actually

been fully paid and received by the Lender and any statutory deemed satisfaction shall not constitute actual payment so as to release the Guarantor.

16. In this Guarantee:

(a) if there shall be more than one party comprising the Guarantor, the covenants contained herein shall be and are joint and several and shall be construed and enforced as such. Notwithstanding the foregoing, the Lender may, at its sole option, release one or more of the parties comprising the Guarantor from the obligations and covenants set forth herein and the remaining party or parties comprising the Guarantor shall continue at all times to remain liable to the Lender until all of the Indebtedness has been fully paid and received by the Lender;

(b) all words imputing the singular shall include the plural and vice versa and any reference herein to the "Guarantors" is to each and every such Guarantor; and

(c) where the context requires, all changes of gender shall be made.

17. This Guarantee:

(a) shall enure to the benefit of the Lender and its successors and assigns; and

(b) shall extend to and be binding upon heirs, executors, administrators and assigns of an individual Guarantor.

18. (a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this Guarantee or by the Rules of Court of Alberta, *The Judicature Act* of Alberta, Chapter J-2, Revised Statutes of Alberta, 2000, and any amendments thereto, *The Law of Property Act*, Chapter L-7, Revised Statutes of Alberta, 2000, and any amendments thereto, as a result of a default by the Guarantor, including but not restricted to any Statement of Claim issued by the Lender or a Lender's Notice of Motion requesting enforcement of its rights hereunder (individually and collectively, the "Notice"), shall be sufficiently served if served personally, or if mailed by prepaid registered post or couriered, addressed to Bryce Margetts, Vice-President, Western Canada, of Canderel Pacific Investments Inc. at 1590-505 Burrard Street, Vancouver, British Columbia, V7X 1M5, Fax No. (604) 738-1948, Joëlle Sebag, Vice-President & General Counsel of Canderel Management Inc. at 900-2000 Peel Street, Montreal, Quebec, H2A 2W5, Fax No. (514) 982-9076, and Peter Tolensky of Lawson Lundell LLP, Suite 1600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, Fax No. (604) 669-1620 or by electronic transmission and every such Notice shall be deemed to have been given upon the day it was personally served, or if mailed/couriered upon the 2nd Business Day after it was mailed/couriered or if sent by electronic transmission on the date of transmission if the date of transmission is a Business Day and is received on or before 5:00 p.m. Otherwise it will be deemed to have been received on the 1st Business Day thereafter. In this section, "Business Day" means a day excluding a Saturday and Sunday on which banks are open for commercial business in Edmonton, Alberta. Each party may designate in writing a substitute address for that set forth above and which thereafter Notice shall be directed to such substituted address; and

(b) No want of notice of publication when required by this Guarantee or by any statute nor any impropriety nor irregularity shall invalidate any proceedings taken or purported to be taken pursuant to this Guarantee.

19. The unenforceability of any agreement, provision or covenant contained herein shall not affect the enforceability of any other agreement, provision or covenant and each of the said agreements, provisions and covenants so contained shall be deemed to be severable from all others.

20. Upon this Guarantee bearing the signature of the Guarantor coming into the hands of any officer, agent or employee of the Lender, the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition which purports to affect or limit the Guarantor's liability, except as the same is expressly set forth herein. No statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless expressly contained herein, shall form any part of this Guarantee or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

21. Where the Borrower is a corporation, partnership or other entity then:

(a) no change in the name, objects, share capital, business, membership, director's powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm or in the name of the corporate Borrower and notwithstanding any reorganization of the corporate Borrower or its amalgamation with any other or others or the sale or disposal of its business in whole or in part to another or others; and

(b) the Lender shall not be concerned to see or enquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf and the Indebtedness and Security obtained and granted in the professed exercise of such powers shall be deemed to form part of the indebtedness hereby guaranteed even though the borrowing or granting of the Indebtedness and Security was irregular, fraudulent, defective or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof.

22. Where the Guarantor is a corporation then the Guarantor warrants and represents that it is fully authorized and empowered by law to execute and deliver this Guarantee and that the execution and delivery of this Guarantee does not in any manner whatsoever offend the provisions of Section 45 of the *Business Corporations Act* of Alberta, RSA 2000 c. B-9 as amended from time to time or any successor legislation.

23. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to the Lender and postponed to the Indebtedness and the Security and all monies received from the Borrower or for his account by the Guarantor shall hereunder or under the Security, be received in trust for the Lender, and forthwith upon demand paid over to the Lender until the Borrower's indebtedness to the Lender is fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor hereunder.

24. The Guarantor waives its right to receive a copy of any financing statement or financing change statement registered by the Lender or of any verification statement with respect to any financing statement or financing change statement registered by the Lender.

25. This Guarantee shall be construed in accordance with the laws of the Province of Alberta.

26. All monies received by the Lender from the Guarantor shall be applied to the Indebtedness in such order or priority among principal, interests, costs, fees, charges or expenses comprising the Indebtedness as the Lender may determine from time to time in its sole discretion.

27. This Guarantee may be executed in any number of counterparts by any one or more of the parties. Each executed counterpart shall be deemed to be an original and such counterparts together will constitute one and the same Guarantee.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee as of the 31st day of January, 2018.

CANDEREL ENTERPRISES INC.

Per: _____

Per: _____

SCHEDULE "A"

to that certain GUARANTEE by CANDEREL ENTERPRISES INC. (as Guarantor) in favour of ADDENDA CAPITAL INC. (as Lender)

Description of the Parties

LENDER:

NAME: ADDENDA CAPITAL INC.

ADDRESS: 1920, College Avenue
Regina, Saskatchewan S4P 1C4

BORROWER:

NAME: 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP
by its general partner 112 STREET NW EDMONTON PARTNERS GP INC.

ADDRESS: 400, 2695 Granville Street,
Vancouver, British Columbia V6H 3H4

GUARANTOR:

NAME: CANDEREL ENTERPRISES INC.

ADDRESS: #900, 2000 Peel St.,
Montreal, Quebec H3A 2W5

SCHEDULE "B"

to that certain GUARANTEE by CANDEREL ENTERPRISES INC. (as Guarantor) in favour of ADDENDA CAPITAL INC. (as Lender)

Description of the Security

1. Commitment Letter dated October 30, 2017, as may be amended in writing from time to time
2. Mortgage in the principal sum of $14,600,000.00
3. General Assignment of Rents and Leases
4. Specific Assignment of Leases
5. Beneficial Owner's Agreement
6. Security Agreement
7. Environmental Indemnity
8. Assignment of Insurance

This is **EXHIBIT "K"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Government of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16012764

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 292493.83

Search ID #: Z16012764 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:21:35

Business Debtor Search For:

CANDEREL ENTERPRISES INC.

Both Exact and Inexact Result(s) Found

NOTE:

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

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:
CANDEREL ENTERPRISES INC.
Search ID #: Z16012764 **Date of Search:** 2023-Apr-04 **Time of Search:** 08:21:35

Registration Number: 18012630177
Registration Date: 2018-Jan-26
Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2043-Jan-26 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

20060926427	Amendment	2020-Jun-09

Debtor(s)

Block		Status
1	CANDEREL ENTERPRISES INC. #900, 2000 PEEL ST. MONTREAL, QC H3A 2W5	Current

Secured Party / Parties

Block		Status
1	ADDENDA CAPITAL INC. 1920 COLLEGE AVENUE REGINA, SK S4P 1C4	Deleted by 20060926427
2	ADDENDA CAPITAL INC. SUITE 1900 - 1874 SCARTH REGINA, SK S4P 4B3 Email: mortgages.info@addendacapital.com	Current by 20060926427

Collateral: General

Block	Description	Status
1	All present and after-acquired Intangibles (including Accounts), Instruments, Chattel Paper, Investment Property and Money (as each of those terms are defined in the PPSA) representing amounts owed or owing by 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC.to the Debtor.	Current

2	All proceeds of every item or kind including but not limited to trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments and insurance payments, instruments, investment property, intangibles, documents of title, money and any other property or obligations received when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of.	Current

Search ID #: Z16012764

Note:

The following is a list of matches closely approximating your Search Criteria, which is included for your convenience and protection.

Debtor Name / Address	Reg.#
CANDO RAIL SERVICES HOLDINGS INC. 1600-10250 101 ST NW EDMONTON, AB T5J 3P4	22092816164

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
CANDO RAIL SERVICES LTD. 9945 50 ST NW SUITE 515 EDMONTON, AB T6A0L4	18092006349

SECURITY AGREEMENT

Result Complete

This is **EXHIBIT "L"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Gorrie, Jennifer

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: January 25, 2023 12:19 PM
To: Miles Angielski
Cc: Jim Leitch; Levi Lawrence; Savvas Pallaris; Adam Kot; Ardi Pradana
Subject: Re: COMPASS PLACE - Addenda 0101606

Thanks Miles...12:30 works... pete

Pete Morrish Canada ICI
Suite 430 - 1040 West Georgia St
Vancouver, BC. V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867
Fax. 604-669-7698 Tap save

On Jan 25, 2023, at 7:29 AM, Miles Angielski <m.angielski@addendacapital.com> wrote:

Hi Pete,

We discussed it here, and concluded that this workout is going to take a lot of time and resources over the next several years.
With that said, Addenda will require the $60,000 for the renewal fee.

Maybe we can have one more conference call to discuss communication, your fees and the plan going forward.
Everyone here is currently available today at 9am or 12:30pm PST (11am or 2:30pm SK time).
Please advise if either of these times work for you.

First priority is to receive a copy the Borrower's acknowledge for a one month extension.

Thanks,

Miles Angielski, CFA
Vice-President, Commercial Mortgages

<image001.png>

m.angielski@addendacapital.com
T. 306-994-6564

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: Tuesday, January 24, 2023 4:38 PM
To: Miles Angielski <m.angielski@addendacapital.com>
Cc: Jim Leitch <jim@canadaicivancouver.com>; Levi Lawrence <l.lawrence@addendacapital.com>; Savvas Pallaris <s.pallaris@addendacapital.com>; Adam Kot <a.kot@addendacapital.com>; Ardi

Pradana <a.pradana@addendacapital.com>
Subject: Re: COMPASS PLACE - Addenda 0101606

Hey Miles, looks good...myself and Jim have told the Borrower we will be charging a renewal fee as well....would you be ok splitting that fee and we will continue negotiating and underwriting on your behalf...pete

PETE MORRISH

CANADA ICI VANCOUVER
Suite 1120-1040 West Georgia Street
Vancouver, BC V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867

On Jan 24, 2023, at 1:13 PM, Miles Angielski <m.angielski@addendacapital.com> wrote:

Hi Pete,

The upcoming maturity and current problems were presented to our Credit Committee last week.
Although the Credit Committee is very concerned, they do appreciate the borrower's willingness to work with us and commit further equity into the property.
The first five points from the Borrower's June 15 email were presented, and were satisfactory, with the following modifications and additional terms:

1. A workout facility with a three year term (not two years).
2. Interest only at Prime + 1.5% (floor of 7.95%).
3. Addenda Renewal Fee of $60,000.00.
4. Repairs and upgrades completed within the three year period with full reporting throughout the process.
5. Quarterly updates on leasing (both potential and signed offers to lease).
6. $4 million guarantee to remain in place for the term.
7. Could discuss reducing the guarantee once a 1.25x actual DSC is achieved for six consecutive months.
8. Within the Canderel lease, restructure the "Tenant's Right to Terminate Lease" clause to not allow termination during the three year term. Addenda will need time to discuss details with our solicitor.

Please discuss the above terms with the Borrower and advise if they would like to proceed.

As it is February 1st already next Wednesday, it is unlikely to get a renewal offered and fully completed by then.
As such, please ask the Borrower if they acknowledge a one month extension of the current mortgage as is (including current rate and no fee), and we will extend it to March 1st.

Thanks,
Miles

<image001.png>

Miles Angielski, CFA
Vice-President, Commercial Mortgages

m.angielski@addendacapital.com
T. 306-994-6564

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: Thursday, January 12, 2023 1:14 PM
To: Miles Angielski <m.angielski@addendacapital.com>
Cc: Jim Leitch <jim@canadaicivancouver.com>; Levi Lawrence <l.lawrence@addendacapital.com>; Savvas Pallaris <s.pallaris@addendacapital.com>; Adam Kot <a.kot@addendacapital.com>; Ardi Pradana <a.pradana@addendacapital.com>
Subject: Re: COMPASS PLACE - Addenda 0101606

Hi Miles, I don't really have anything to add...I think my last few emails, your meeting in Toronto with Canderel, and Savvas's visit to tour the building with Bryce in Edmonton should have given you all the info you need. Thanks for checking in and if you do have any further questions during the Credit meeting don't hesitate to call...Cheers, pete
Ps...feeling much better...was down for the count when you were all in To...pete

PETE MORRISH

CANADA ICI VANCOUVER
Suite 1120-1040 West Georgia Street
Vancouver, BC V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867

On Jan 11, 2023, at 2:20 PM, Miles Angielski <m.angielski@addendacapital.com> wrote:

Hi Pete,

Happy New Year. Hope you had a good holiday season and are starting to feel better.

Just wanted to re-connect on the Edmonton office loan that matures February 1st, and to continue building on our December 12 discussions.
Savvas did meet with Canderel and did do a full inspection. Our next steps are to present the situation to our Credit Committee.

In particular, we'll add this deal to the list of discussions at our next Credit Committee meeting scheduled for January 18.
I will be on vacation next week, but someone from the Commercial Mortgages Team will present the discussions we had with you, the current status of the property/deal and possible solutions.
The amount of guarantee will be discussed as well as the structure of a renewal, if we can make an offer.

Please reply to the group before January 18, if you have any question or comments.

Thanks and talk soon,
Miles

<image001.png>

Miles Angielski, CFA
Vice-President, Commercial Mortgages

m.angielski@addendacapital.com
T. 306-994-6564

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Levi Lawrence
Sent: Friday, November 4, 2022 11:38 AM
To: Pete Morrish <pete@canadaicivancouver.com>
Cc: Jim Leitch <jim@canadaicivancouver.com>; Miles Angielski <m.angielski@addendacapital.com>
Subject: RE: COMPASS PLACE

Using more less the same info I had from June, we would be looking at an estimated minimum paydown of $2.7mm to $10mm. I was using a 2.7% bond in June compared to 3.7% now. Spreads are also a little higher now.

<image001.png>

Levi Lawrence, CFA
Assistant Manager, Commercial Mortgages

l.lawrence@addendacapital.com
T. 306-994-6560

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: November 4, 2022 10:26 AM
To: Levi Lawrence <l.lawrence@addendacapital.com>
Cc: Jim Leitch <jim@canadaicivancouver.com>; Miles Angielski <m.angielski@addendacapital.com>
Subject: Re: COMPASS PLACE

Hi Levi, I have a conf call this morning with the Borrowers on this asset...I am assuming the proposed paydown would be different than what you proposed back in June? Could you give me some guidance on your thinking on this loan today ? My call is at 12 noon my time...sorry for the late notice...pete

Pete Morrish Canada ICI
Suite 430 - 1040 West Georgia St
Vancouver, BC. V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867
Fax. 604-669-7698 Tap save

On Jun 2, 2022, at 10:20 AM, Levi Lawrence <l.lawrence@addendacapital.com> wrote:

Hi Pete,

I did some analysis on this, and considering current rent and market interest rates, an estimated paydown to roughly $11,000,000 would be required. At renewal, this would be about a $1.7mm paydown from the expected balance at maturity ($12.76mm).

Obviously dependent on market conditions going into 2023 and subject to change but I agree that it is good to get out in front of this now to let them know. We would want to keep the mortgage on P+I but could increase the amortization back up to 25 years.

Please let me know if you want to discuss further at this time.

<image001.png>

Levi Lawrence, CFA
Assistant Manager, Commercial Mortgages

l.lawrence@addendacapital.com
T. 306-994-6560

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: May 25, 2022 11:41 AM
To: Adam Kot <a.kot@addendacapital.com>
Cc: Miles Angielski <m.angielski@addendacapital.com>; Jim Leitch <jim@canadaicivancouver.com>
Subject: Fwd: COMPASS PLACE

Gentlemen, as you can see below we have a renewal coming up next Feb, 2023 with your Compass Place office building in Edmonton. We hate to be the bearer of bad news, and not totally surprising given the current state of the office market in Edmonton, but this loan will have some challenging times ahead. I guess the good news is that the Borrower is both strong financially and very experienced in the various office markets right across Canada. Jim and I wanted to start the discussion at this point and give you a heads up. Canderel definitely want to work with you as we navigate through this renewal. I think we have to recognize this is clearly a market phenomena and the Borrowers have done everything possible to keep the building in good repair and keep it as full as possible. We are fortunate, as discussed, that we have a Borrower so experienced in the office leasing market to help you navigate through this market problem.
We have had Connie do some rough calculations that I can forward to you under a separate email...pete

PETE MORRISH

CANADA ICI VANCOUVER
Suite 1120-1040 West Georgia Street
Vancouver, BC V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867

Begin forwarded message:

> **From:** Bryce Margetts <BMargetts@canderel.com>
> **Date:** May 24, 2022 at 11:49:17 AM PDT
> **To:** Jim Leitch <jim@canadaicivancouver.com>, Pete Morrish <pete@canadaicivancouver.com>
> **Cc:** Paul Goblot <PGoblot@canderel.com>
> **Subject: COMPASS PLACE**
>
> Pete / Jim,
>
> Here are the financials for Compass Place in order to have a conversations with Addenda, sorry for the delay, had to update some files with the accountants.
>
> I have included:

1. Compass Place 2022 Budget
2. Income statement results for 2019, 2020 and 2021
3. 2022 property assessment
4. Rent roll with my updated comments as at May 24th 2022 with the bottom note summarizing expected 2023 revenue and NOI

Basically, our 2022 and 2023 expected NOI is approximately $1,000,000 and current mortgage payment is $943,000 so not looking great for the renewal at same mortgage amount.

Can you estimate based on the terms of our existing mortgage the exact OSB of the mortgage expected on expire Feb 2023 and can you run some scenario's on expected interest rate both P&I and maybe int only and we can pitch Addenda.

As per 2022 Budget on page 2
Financing
The property is currently encumbered by a first mortgage in favour of the Addenda Capital Inc. The loan was refinanced on Jan. 31, 2018 with a principal loan amount of $14,600,000 at an interest rate of 4.23% based on a 5 year term, 25 year amortization maturing Feb. 1, 2023. The current outstanding balance of the loan as of Nov. 30, 2021 is $13,256,931.23.

If they say we have to pay down the loan, then so be it, but at least we know.

Ideally we need a capital injection of:

1. Landlord show suite upgrade capital for 3 suites totaling 8,387 SF x $60.00 psf = $503,220 and another $40.00 psf or $223,200 for Suite 500 measuring 5,580 SF
2. $1.0M for elevators and misc capex between 2023 to 2025
3. So total of approximately $1.8M over the next 3 years

Let me know how you want to approach Addenda after running the refinancing numbers.

Thanks, Bryce

<image010.png>

Bryce Marge
Senior Vice-Pr

Canderel
bmargetts@can
T +1 604-639-5
D +1 604 639-5
C +1 604 808-6

Please consider t

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This is **EXHIBIT "M"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Engineers

Compass Place

Physical Building Condition Assessment Report

10050 – 112 Street NW
Edmonton AB

January 2018

RJC No. EDM.008240.0027

Prepared for:

112th Street NW Edmonton Partners L.P.
c/o Canderel Pacific Management Inc.
1590, 505 Burrard Street, Box 96
Vancouver BC V7X 1M5

Prepared by:

Read Jones Christoffersen Ltd.
17415 - 102 Avenue, Suite 100
Edmonton AB T5S 1J8

Table of Contents

EXECUTIVE SUMMARY

Read Jones Christoffersen Ltd. (RJC) was engaged by 112th Street NW Edmonton Partners L.P. to conduct a Physical Condition Assessment of the building and associated property located at 10050 – 112 Street NW in the City of Edmonton, Alberta.

Purpose

The objective of this assessment was to review the major systems employed in the buildings, determine if there are observable deficiencies in the building systems and to provide an opinion of associated remedial costs, beyond normal maintenance, that will be required over the next 10 years.

Scope of Work

In general, the scope of work included the review of prior reports and building drawings, interviews with building staff, a walkthrough review of the property and the preparation of this report. The building systems examined were:

- Building Structure
- Exterior Plaza Level
- Building Envelope
- Roofing
- Mechanical Systems
- Electrical Systems
- Elevators

Project Team

Read Jones Christoffersen Ltd. co-ordinated a team of in-house professionals to review the structural components, parking structure, building envelope, and the exterior landscaping of the building. Sub-consultants were retained as part of the team to review the major mechanical and electrical systems components, and elevators.

Property Description

The Compass Place Building consists of a ten-storey office tower situated over a below grade parking structure. The underground parking structure is a three level split layout with the lowest level being supported on grade. The parking levels are accessed from 112 Street onto a concrete topped, heated, entrance/exit ramp. The building was constructed in approximately 1973 by Redden Construction (1970) Ltd. The Architect of record is Patsula Architects Ltd. The structural engineer-of-record is RJC.

Findings

The buildings are generally in a condition appropriate to their age. Details of observable concerns for the buildings and their systems are identified in the body of the report. Based on our review, there were no significant concerns noted with any of the systems reviewed other than natural age related deterioration, which is now in need of maintenance and repair.

Summary of Probable Expenditures

Prior to the commencement of this assignment, the threshold limit for remedial costs was set at $10,000 plus GST. The remedial costs presented in this report have adhered to this threshold limitation unless the concerns noted have life safety related implications; do not fall under the realm of regular maintenance; or, may be detrimental to the proper performance of the system if not addressed. All costs shown are in 2018 Canadian dollars. Probable costs do not include GST or engineering fees and testing. For budget purposes, allow 10% to 15% in the table below for engineering fees unless otherwise noted.

A summary of the anticipated costs is noted in the following table. Cost items are grouped by major building component. We note that items below the threshold limit are not included in the table below, but are identified in the body of the report as operational costs. Details of these items can be found within the appropriate sections in the body of the report.

ITEMS	Immediate Repair Costs	1-2 Years	3-5 Years	6-10 Years	Estimated Total Cost
Building Structure and Site:					
Parking structure restoration program.		$500,000.	$200,000.	$150,000.	$850,000.
Entrance/exit ramp restoration.				$300,000.	$300,000.
Sub-Total	$0.	$500,000.	$200,000.	$450,000.	$1,150,000.
Building Envelope:					
Inspection of precast anchors.			$20,000.		$20,000.
Replacement of failed sealed glass units.			$15,000.	$25,000.	$40,000.
General exterior repairs.				$25,000.	$25,000.
Sub-Total	$0.	$0.	$35,000.	$50,000.	$85,000.
Roofing:					
Re-roofing zones 3 and 5				$20,000.	$20,000.
Sub-Total	$0.	$0.	$0.	$20,000.	$20,000.
Mechanical:					
Penetrations through fire separations		$50,000.			$50,000.
Glycol snowmelt system leak		$30,000.			$30,000.
Sump pumps		$12,000.			$12,000.
MUA and parking structure exhaust			$70,000.		$70,000.
Domestic hot water tank burner				$15,000.	$15,000.
Fans centrifugal (AHUs)				$1,200,000.	$1,200,000.
Fans centrifugal (washroom exhaust)				$25,000.	$25,000.
Sub-Total	$0.	$92,000.	$70,000.	$1,240,000.	$1,402,000.

ITEMS	Immediate Repair Costs	1-2 Years	3-5 Years	6-10 Years	Estimated Total Cost
Electrical:					
Repair/replace existing fire alarm system.			$60,000.		$60,000.
Sub-Total	$0.	$0.	$60,000.	$0.	$60,000.
Elevators:					
Hall door retainers	$15,500.				$15,500.
Car door restrictors	$28,000.				$28,000.
Hall door unlocking devices	$13,000.				$13,000.
Car top railings		$18,000.			$18,000.
Equipment guarding		$45,000.			$45,000.
Door operator replacement			$115,000.		$115,000.
Major control modernization			$850,000.	$130,000.	$980,000.
Heat exchanger			$12,000.		$12,000.
Code changes			$25,000.	$25,000.	$50,000.
Vandalism			$25,000.	$25,000.	$50,000.
Sub-Total	$56,500.	$63,000.	$1,027,000.	$180,000.	$1,326,500.
TOTAL OF ALL BUILDING ELEMENTS	**$56,500.**	**$655,000.**	**$1,392,000.**	**$1,940,000.**	**$4,043,500.**

No attempts have been, as part of this assessment, to determine if there is moisture related deterioration such as mould, mildew etc., within the concealed space as this was beyond the scope of this assignment. We recommend an independent environmental consultant be retained to confirm with better certainty if internal damage has occurred, determine its extent and provided suggested remediation alternative. This service has not been included as part of this assignment.

1.0 INTRODUCTION

Read Jones Christoffersen Ltd. (RJC) was engaged by 112th Street NW Edmonton Partners L.P. to undertake a Physical Building Condition Assessment of the office building and associated property located at 10050 – 112 Street NW in the City of Edmonton, Alberta.

A design review, environmental audits, and an investigation for mould or other contaminants were considered to be beyond the scope of this review and were not performed. No selective demolition processes were utilized to determine interior (concealed) conditions of the various building and parking structure components.

1.1 Purpose

This report is intended to provide the client with a general description of the systems employed in the building and to comment on their general condition as visually apparent at the time of our review. In addition, our review of the property was to be our basis to provide our opinion of the probable cost of the associated remedial work that will be required over the next 10 years. Refer to Section 9.0 of this report for Limits of Liability.

1.2 Scope of Work

In general, the scope of work included the review of prior reports and original building drawings, interviews with building staff, a walkthrough review of the property and the preparation of this report. The building systems examined were:

- Building Structure
- Exterior Plaza Level
- Building Envelope
- Roofing
- Mechanical Systems
- Electrical Systems
- Elevators

1.3 Cost Basis

The costs presented in this report are broken down into immediate costs and anticipated remedial costs over the next 10 years. The immediate costs are associated with those items requiring immediate attention due to safety concerns or rapid deterioration if left unattended. The anticipated remedial costs are for those items, which are not of immediate concern but require attention due to ongoing deterioration, current conditions or will require complete replacement within the timeframe of this assessment.

Prior to the commencement of this assignment, the threshold limit for remedial costs was set at $10,000 plus GST. The remedial costs presented in this report have adhered to this threshold limitation unless the concern noted have life safety related implications; do not fall under the realm of regular maintenance; or, may be detrimental to the proper performance of the system if not addressed. All costs shown here are in 2018 Canadian dollars. For budget purposes, allow 10% to 15% in the table below for engineering fees unless otherwise noted.

1.4 Site Visit and Project Personnel

Representatives of Read Jones Christoffersen Ltd., including our sub-consultants for the building services visited the building on January 11, 2018 to perform their visual review. Personnel that conducted that review were:

- Mr. Enzo Vercillo, BSc, P.Eng., LEED AP – Read Jones Christoffersen Ltd. – Building Structure and Site.
- Mr. Bob Korneluk, BSc, P.Eng. – Read Jones Christoffersen Ltd. – Building Envelope and Roofing.
- Mr. Russell Truesdell, P.Eng. – MCW Hemisphere Ltd. – Mechanical Systems
- Mr. Dave Calder, P.Eng. – MCW Hemisphere Ltd. – Electrical Systems.
- Mr. Mike Derkach, Senior Consultant – KJA Consultants Inc. – Elevators.

Mr. Bob Husereau, Operations Manager with Humford Management Inc., and Susan Osterloh, Property Manager with Humford Management Inc. accompanied us during the review and provided us with some available information about the building operations and maintenance. In general, the tour of the site included a review of the following areas of the building:

.1 Building roofs
.2 Mechanical penthouses
.3 Mechanical, electrical, storage, and service rooms
.4 Random interior tenant areas, lobbies, and corridors
.5 Exterior landscaping and pavements
.6 Exterior cladding systems
.7 Loading docks
.8 Retail Levels
.9 Elevators
.10 Parking structure

2.0 GENERAL DESCRIPTION

2.1 Building and Site Description

The Compass Place Building consists of a ten-storey office tower situated over a below grade parking structure. The underground parking structure is a three level split layout with the lowest level being supported on grade. The parking levels are accessed from 112 Street onto a concrete topped, heated, entrance/exit ramp. The building was constructed in approximately 1973 by Redden Construction (1970) Ltd. The Architect of record is Patsula Architects Ltd. The structural engineer-of-record is RJC.

(Refer to Photos 1 to 4 in Appendix A)

2.2 Site Interview

Prior to the start of our site tour, an interview was conducted with Mr. Husereau and Ms. Osterloh. The purpose of the interview was to obtain a general understanding of the site and its operation prior to the commencement of our review. Based on our conversation, the following information was obtained.

.1 Removal and replacement of the concrete and membrane materials were completed in the loading dock and southwest Plaza area in 2010/2011.

.2 It is our understanding that the east Plaza was restored; however, a date or details could not be confirmed.

.3 The main tower roofing was replaced in approximately 2009. No leaks have been reported through the roof.

.4 No leaks have been reported through the exterior cladding or window systems.

.5 The exterior caulking at precast joints was replaced in approximately 2013.

.6 The exterior caulking at precast joints was replaced in approximately 2013.

.7 That there is a leak in the glycol loop system of the entrance/exit ramp.

.8 A 250-ton Carrier R-134a refrigerant, centrifugal refrigeration chiller was installed in 2005, and cooling tower was refurbished in 2009.

.9 The building ventilation supply fans for both AHU-1 and AHU-2 have been retrofitted with variable frequency drives (VFDs) in 2014.

.10 Gas sensors for the parking structure ventilation were replaced in 2016.

.11 Pace Technologies to provide yearly infrared scanning of the electrical distribution equipment.

.12 An electrical distribution replacement project has been initiated. Currently this electrical distribution replacement project focuses on the main electrical distribution equipment (service entry and main CDP); however, it will be expanded to the floor level systems in the future (2019/2020 calendar year). The replacement of the main incoming distribution equipment is scheduled to be completed within this calendar year (2018).

.13 The main electrical room had some issues related to the ingress of ground water. The issues have been resolved.

.14 The management team has indicated an ongoing luminaire re-lamping/change out project is occurring. Currently it is reported that the buildings common areas and the parking structure have been retrofitted with LED sources and these areas utilize both motion activated switching and an overall lighting time clock to control the lighting.

.15 It is reported that the service spaces (floor level electrical rooms, mechanical/electrical room) are to undergo the lighting retrofit project as resources become available, possibly within the current calendar year (2018).

2.3 Document Review

Original Structural Drawings prepared by RJC, dated 1973 were available for our review. Original structural, mechanical, and electrical drawings were not available for our review.

3.0 BUILDING STRUCTURE AND SITE

RJC conducted a site review of the Compass Place Building and underground parking structure on January 11, 2018.

The structural review included a visual review of the roof level, a select number of typical office levels, exterior plaza, and underground parking levels. The purpose of the review was to assess the general physical condition of the exposed portions of the concrete structure and interior finishes.

Our review includes a visual review of the parking structure, and excludes a chain drag survey and hammer sounding of the soffit.

No excavations or dismantling of building finishes or components was undertaken during our review of the building. No design adequacy checks or detailed measurements were performed.

3.1 Structural Description

The structure is supported on reinforced concrete rectangular and strip footings, which are founded on clay till at approximately 10 metres below grade. Foundation design parameters were based on the recommendations of E.W. Brooker and Associates Ltd., Geotechnical Consultants.

The underground parking structure is a three level split layout with the lowest level being supported on grade. For the purposes of this report, the parking decks will be identified from top to bottom as Parking Levels P1 to P3.

The suspended Parking Levels P1 and P2 consist of a cast in place, reinforced concrete slabs, and slab bands, supported on concrete columns and perimeter concrete walls. The slabs vary in thickness from 125 mm deep at mid span to 235 mm at the slab bands.

Each of the suspended parking levels covers an area of approximately 1,600 square metres, with a parking capacity of 49 cars per level. The parking levels are accessed from 112 Street onto a concrete topped, heated, entrance/exit ramp.

The Main Level structure is very similar to the parking levels with slightly thicker concrete reinforced to support heavier loads imposed by retail, exterior plaza, and service area occupancies.

The typical office floors are 140 mm reinforced concrete slabs spanning to reinforced concrete beams, core walls, and columns. Spandrel beams and girders carry the precast concrete cladding loads. Interior spaces are generally column free, outside the core area.

The Mechanical Level structure has been constructed as the typical office floors, except that the concrete slabs and beams were thickened and reinforced to carry the heavier loads due to mechanical equipment.

The Roof Level was constructed similar to the typical floors, except for openings required for cooling equipment and fans. The beam and slab reinforcement was reduced where made possible by decreased live load requirements.

Design Live Loads

A set of structural drawings was available for our review. Specified uniform loads were noted in the general notes in pounds per square foot (psf). Design live loads are noted as follows:

Level	Live Load	Superimposed Load
Roof Level	40 psf	zero
Mechanical Level	125 psf (excluding equipment)	zero
Typical Levels	70 psf	20 psf (partition allowance)
Main Level (Interior)	100 psf	zero
Main Level (Exterior)	250 psf	zero
Parking Levels	50 psf	zero

Superimposed Loads are typically non-structural dead loads due to architectural toppings, finishes, partitions, electrical and mechanical piping, roofing materials, pavers, soil, etc., and do not include the self-weight of structural elements.

Note: From our review of original design notes and drawings, we did not identify any allowances for additional floors levels.

3.2 Observations and Concerns Noted

In general, the quality of construction for the structural portion of the building, as noted during our review, appears to be in good condition with no visually obvious evidence of deflection, settlement, or distress. We also did not observe any evidence of major structural deficiencies or distress in areas where the building structural elements were covered with architectural finishes. The structure appears to be generally performing as intended and the suspended slabs appear to be utilized as per the intent of the original design. We noted the following from the building review:

- A tieback anchor system consisting of 7 double connection pedestal anchors was installed in August 2010. RJC provided structural design and construction review for this work. In general, the anchors appear to be performing well. It should be noted that CSA Z91-02 article 7.3.2.1 states, "all anchor systems shall be inspected at intervals not exceeding 12 months." The next annual review of the system should occur by May 2018.
- In 2010, RJC provided a roof layout drawing/rigging plan. The rigging plan drawings were posted next to the main roof access hatch in accordance with CSA-Z91-02 clause 8.2, and The Fall Protection Manual was available in the building's maintenance office. This Manual contains the roof plan (indicating the anchor locations, methods for utilizing the system, design loads etc.), the annual review letters, and the annual review logs. We note that the manual must be continually updated with the annual review letters, as well as documentation of any repairs/maintenance or changes to the system as they occur.
- We note that the Mechanical Room is shared with occupied tenant spaces on the tenth floor level. No structural issues were noted on this level.
- We were able to review the structure in several vacant tenant spaces. No structural issues were noted from our review.

With respect to the structural elements which are exposed to the environment (Plaza Level and parking structure) we note the following:

- Removal and replacement of the concrete and membrane materials were completed in the loading dock and southwest Plaza area in 2010/2011. Details of the repair program were not available for our review; however, the area appears to be performing well at this time. Repairs are not anticipated within the reports time frame.
- It is our understanding that the east Plaza areas was completed; however, a date could not be confirmed. From our review, the area appears to be performing well with no repairs anticipated within this time frame.
- The entrance/exit ramp contains a glycol-heating ramp. We did note some active leakage below the ramp, which is an indication that the membrane below the heated topping is failing. This does not appear to be significant at this time; however, repairs are anticipated in the long term and would include waterproofing of the entrance/exit ramp trench drain.

- Extensive concrete restoration programs were completed in 2014/2015 and 2017. Similar repair programs will be a requirement throughout this period. It is our understanding that 2 significant areas of deterioration on Level P2 are scheduled for repair in 2019/2020. It is our opinion that the 2 locations have a reduced load carrying capacity as a result of the current deterioration. We recommend that temporary shoring be installed in the first quarter of 2018 below the deteriorated sections and remain in place until repairs are conducted.
- Traffic deck coating wear was noted, primarily on Level P2, exposing the concrete surface below. We recommend that coating repairs be completed as part of concrete restoration programs.

(Refer to Photos in Appendix A)

3.3 Probable Costs of Repair/Replacement

Based on our visual review of random areas throughout the building and underground parking structure, the tower and parking structure generally appear to be performing well; however, parking structure restoration programs will be required throughout this term. Our opinion of probable costs to repair or maintain items identified during our review are summarized below:

.1 Immediate Repairs

- We recommend that temporary shoring be installed in the first quarter of 2018, below the 2 deteriorated sections of the underground parking structure. The shoring shall remain in place and monitored until repairs are conducted.

Opinion of Probable Cost: Operational Cost

.2 Near-Term Repairs (1-2 Years)

- Review of the tieback anchor system shall be inspected at intervals not exceeding 12 months. The next annual review of the system should occur by May 2018.

Opinion of Probable Cost: Operational Cost

- A parking structure restoration program is recommended to address the two sections on Parking Level P2. The repair program would include removal and replacement of concrete deterioration, reinforcing steel replacement, and traffic deck coating installation. Temporary shoring would be removed following completion of repairs.

Opinion of Probable Cost: $500,000.

.3 Intermediate Term Repairs (3-5 Years)

- Review of the tieback anchor system shall be inspected at intervals not exceeding 12 months.

Opinion of Probable Cost: Operational Cost

- A parking structure assessment is recommended in this time frame to determine the overall condition of the structure and identify areas to repair in the next restoration program.

Opinion of Probable Cost: Operational Cost

- A parking structure restoration program is recommended towards the end of this time period. The repair program would include removal and replacement of concrete deterioration, reinforcing steel replacement, and traffic deck coating installation.

Opinion of Probable Cost: $200,000.

.4 Long-Term Repairs (6-10 Years)

- Review of the tieback anchor system shall be inspected at intervals not exceeding 12 months.

Opinion of Probable Cost: Operational Cost

- A parking structure assessment is recommended in this time frame to determine the overall condition of the structure and identify areas to repair in the next restoration program.

Opinion of Probable Cost: Operational Cost

- A parking structure restoration program is recommended in this time period. The repair program would include removal and replacement of concrete deterioration, reinforcing steel replacement, and traffic deck coating installation.

Opinion of Probable Cost: $150,000.

- The entrance/exit ramp membrane, including the trench drain membrane, will likely require replacement in this time period. The repair would include removal and replacement of the reinforced concrete topping complete with embedded glycol loops, and membrane system. The repair includes an allowance for concrete delamination repair of the structural slab.

Opinion of Probable Cost: $300,000.

4.0 BUILDING ENVELOPE

A visual review of the exterior of the tower was performed from the ground level. Windows and the interior face of exterior walls were reviewed from unoccupied 6th, 7th, and 10th floor office spaces. No dismantling of wall components was undertaken to review concealed elements.

The original architectural drawings for the project were not available for our review.

The roof has been treated separately. Please refer to the roofing section of this report for information on the roof system.

4.1 System Description

The exterior cladding system utilized to the office portion of the tower is comprised of a vertical ribbed, architectural precast concrete panels, faced to the interior with a gypsum board and steel stud wall assembly. As no selective demolition techniques were employed to confirm wall construction, the actual construction was not determined.

Based upon visual review, commonly utilized wall systems of that era and measured overall wall thickness it is likely that the wall assembly is fabricated from:

- Precast concrete panels
- 3 1/2" steel studs
- R-12 fiberglass batt insulation
- Polyethylene vapour retarder sheeting
- 1/2" interior gypsum board

A small area of exterior wall along the back lane is constructed of concrete block masonry.

Windows to the office tower consist of a 4" dark bronze anodized extruded aluminum frames carrying interior glazed sealed double pane glass units. Grade level windows consist of exterior glazed sealed double pane glass units carried in 4" dark bronze tubular, extruded, aluminum frames.

Entrance doors consist of glazed extruded aluminum doors mounted in extruded aluminum frames. Date stamps on the glazing indicate the front building entrance system was manufactured in 2013.

Above the front entrance is a soffit finished with stucco.

The exterior wall assembly appears to have been designed as a "face-sealed" system. This type of design relies entirely on the integrity of the exterior finishes to keep water out of the building. In this case, the exterior window systems, the precast concrete panels, and the caulking materials are the primary line of defense against water penetration. Should water pass through (or between) cracks or joints of any of these elements, leakage into the building can occur.

(Refer to Photos in Appendix B)

4.2 Observations and Concerns Noted

A site review was performed to examine the general existing condition of visible exterior building components that comprise the exterior walls. Our review was of a visual nature only. No selective demolition techniques were employed that would have assisted in determining wall make-up or concealed conditions.

The precast concrete panels appear to be in good condition with only minor signs of damage/deterioration. Rust stains were noted at isolated locations (Refer to Photos 9 and 10 in Appendix B). The corrosion is likely the result of reinforcing steel being too close to the outside surface of the precast panel. An inspection of the precast panel anchors should be conducted periodically to ensure they are not experiencing significant corrosion or distress.

The caulking at the precast panel joints and between window frames and precast panels have been recently replaced; however, vertical joints between the precast panels and metal cladding at the corners of the tower have not been replaced, and shows visible signs of failure (Refer to Photos 11 and 12 in Appendix B). Failed caulking was also noted between the metal panels and aluminum frames (Refer to Photo 13 in Appendix B). The caulking at these locations should be replaced in the near term.

Failed caulking was noted at glazing joints, with newer beads of caulking applied over older beads of caulking in a number of areas (Refer to Photo 14 in Appendix B). This is indicative of attempts to repair a failure of the original caulking, which may have been applied in an attempt to stop leakage through the windows. This may be related to inconsistent compression on the gaskets that form the air and water seal between the glazing and aluminum frames. A review of select interior locations also found loose glazing stops and gaskets at various locations (Refer to Photos 15 and 16 in Appendix B). Shrunk gaskets and stains were also noted at the corner of some windows (Refer to Photo 17 and 18 in Appendix B). Although there have been no recent reports of leakage, these signs are indicative of past leakage, and these conditions could result in future leakage. We therefore recommend further review and repair/replacement of the interior stops and gaskets.

The glazing units at the vision windows are double pane sealed units. The units do not display a date of manufacture stamp but do indicate they were manufactured by "Temgard". As most units appear to be of identical design, it is likely that these glazing units are of original construction (i.e. circa 1973). As previously noted, the sealed units on the tower are installed from the interior of the building thereby allowing for replacement without use of the swingstage equipment.

Since the windows are likely original, the units are approximately 44 years old. Sealed units of this design typically have a life expectancy of between approximately 25 to 30 years. We should note however that these limits could be exceeded (or decreased) depending on the original quality of the sealed units, the integrity of the exterior glazing tapes and the general installation of the glazing. When the units fail, fogging or condensation becomes apparent between the two panes of glass. When they fail, the units are typically replaced. This work is often performed on an "as-needed" basis. Due to the relatively high age of the units, it is anticipated that the edge seal will likely not continue to function satisfactorily and that replacement of the sealed units could begin with more frequency in the foreseeable future. It is our understanding three sealed units were replaced last year.

RJC did not examine the wall assemblies for signs or evidence of mould growth.

4.3 Probable Costs of Repair/Replacement

The precast concrete panels and the aluminum glazing systems of the exterior building envelope appear to be in fair to good condition considering the age of the structure and the normal effects of our harsh environment. With the exception of deteriorated exterior caulking between metal panels and precast and aluminum frames, and loose glazing stops and gaskets on the tower, the exterior building envelope appears to be performing as intended

Based on our review we recommend the following maintenance/repair options be considered:

.1 Immediate Repairs

- None noted.

.2 Near-Term Repairs (1-2 Years)

- Replacement of caulking between precast joints and metal panels at tower corners.

Opinion of Probable Cost: Operational Cost

- Replacement of caulking between metal panels and aluminum frames.

Opinion of Probable Cost: Operational Cost

- Replacement of failed sealed glass units. If failed sealed units are replaced on an individual basis (from the interior) and only as they fail, a replacement budget of $5,000 per year should be sufficient for the foreseeable future.

Opinion of Probable Cost: Operational Cost

- Inspection of glazing stops and gaskets to determine their condition and identify what locations require repair.

Opinion of Probable Cost: Operational Cost

.3 Intermediate Term Repairs (3-5 Years)

- Inspection of precast panel anchors (i.e. connections) to determine their condition and whether they are experiencing signs of corrosion or distress. An allowance for the precast panel anchor review is provided.

Opinion of Probable Cost: $20,000.

- Cleaning of selected areas of the precast may be considered to address localized areas of concentrated stains.

Opinion of Probable Cost: Operational Cost

- Replacement of failed sealed glass units.

Opinion of Probable Cost: $5,000 per year

.4 Long-Term Repairs (6-10 Years)

- Minor repairs may be required to the exterior. A cash allowance is provided for stucco repairs, caulking repairs, and general isolated work to the cladding.

Opinion of Probable Cost: $25,000.

- Replacement of failed sealed glass units.

Opinion of Probable Cost: $5,000 per year

5.0 ROOFING SYSTEM

5.1 System Description

The following information was obtained from our visual and information provided by Mr. Husereau and Ms. Osterloh. Ms. Osterloh indicated that the main tower roof and parking garage ramp roof were replaced in approximately 2009, and all other roofs were replaced two to three years before that. The age of the acrylic dome skylight on the main tower roof is unknown.

Roofing System Descriptions:

Zone 1 (Main Tower): Protected Roofing Membrane System

- Deck: Concrete
- Auxiliary Leveling Surface: Not known
- Roofing Membrane: Membrane system with MBM flashings
- Primary Insulation: 38 mm type 4 extruded polystyrene
- Protective Surfacing/Ballast: Stone ballast over filter fabric
- Roof Slope: Unknown
- Age: Reported to be 9 years of age

Zone 1A and 2A (Cooling Tower):

- Deck: Concrete
- Auxiliary Levelling Surface: Not known
- Vapour Retardant: Not known
- Primary Insulation: Not known
- Cover Board: Not known
- Roofing Membrane: SBS/squeeze applied bituminous roofing membrane system
- Protective Surfacing: Nil
- Roof Slope: Nil
- Age: Reported to be approximately 11 to 12 years old.

Zone 3 (North Lower 1-Storey roof):

- Deck: Concrete
- Auxiliary Leveling Surface: Not known
- Vapour Retardant: Not known
- Primary Insulation: Not known
- Cover Board: Not known
- Roofing Membrane: Not known
- Protective Surfacing: Ballast
- Roof Slope: Nil
- Age: Reported to be approximately 11 to 12 years old.

Zone 4 (Parking Garage Ramp): Protected Roofing Membrane System

- Deck: Concrete
- Auxiliary Leveling Surface: Not known
- Roofing Membrane: Membrane system with MBM flashings
- Primary Insulation: 38 mm type 4 extruded polystyrene
- Protective Surfacing/Ballast: Stone ballast over filter fabric
- Roof Slope: Unknown
- Age: Reported to be 9 years of age

Zone 5 (Mechanical Dog House): Protected Roofing Membrane System

- Deck: Wood
- Auxiliary Leveling Surface: Not known
- Roofing Membrane: Not known
- Primary Insulation: Not known
- Protective Surfacing/Ballast: Stone ballast over filter fabric
- Roof Slope: Unknown
- Age: Not known

(Refer to Photos in Appendix C)

5.2 Observations and Concerns Noted

.1 Zone 1 - Main Tower

- The roofing on this zone appears to be of consistent with its reported age.
- The roof membrane was hidden from view below layers of insulation and ballast. The roof was also partially covered with snow at the time of our review. As such, we were unable to view the condition of the membrane. Where visible, such as at roof anchors, the membrane flashing appeared to be in good condition *(Photo 8 in Appendix C)*.
- Roof perimeter metal counter flashings terminate on the upstand of the pre-cast concrete parapet. The top edge of these flashings has a kick-out that is sealed with caulking. In most cases, this caulking is in good condition. The sealant in the vertical joints between precast panels is also in good condition *(Photos 9 and 10 in Appendix C)*.
- The filler in gum boxes has shrunk and is starting to separate from penetrations. Gum boxes should be reviewed and repaired on a regular basis as part of roof maintenance *(Photo 11 in Appendix C)*.

.2 Zones 1A and 2A – Cooling Tower Roof

- The roofing about the cooling tower is visibly deteriorated. Previous repairs appear to consist of an SBS membrane installed in a liquid applied membrane; however, the surface of this membrane has not been protected resulting is premature deterioration. Replacement of this roofing is recommended in the mid term *(Photos 12 and 13 in Appendix C)*.

.3 Zone 3 - North Lower 1-Storey Roof

- It is our understanding roofing on this zone was replaced 11 to 12 years ago.
- The roof membrane was hidden from view below layers of insulation and ballast. As such, we were unable to view the condition of the membrane.

.4 Zone 4 – Parking Garage Ramp Roof

- It is our understanding roofing on this zone was replaced approximately 9 years ago when the main tower roof was replaced.
- The roof membrane was hidden from view below layers of insulation and ballast. As such, we were unable to view the condition of the membrane. Where visible, the membrane flashing appeared to be in good condition.

.5 Zone 5 – Mechanical Dog House Roof

- The age of this roof is unknown. Visible damage was noted at one corner of roof exposing the underlying wood deck *(Photo 14 in Appendix C)*. Repairs are recommended in the near term to extend the life of this roof. Replacement is anticipated in the long term.

Based on the age of the roofing system, our observations, and past experiences, we are of the opinion that the roofing on the cooling tower (Zones 1A and 2A) and the lower level roofs (Zones 3, 4, and 5) will need to be replaced within the report period. Repairs to the main tower roof are also anticipated including topping up gum boxes and re-sealing joints between parapets and counter flashings.

5.3 Probable Costs of Repair/Replacement

Based on our review, the following summarizes our opinion of the probable cost to repair the items noted above.

.1 Immediate Repairs

- N/A

.2 Near-Term Repairs (1-2 Years)

- General maintenance such as refilling gum boxes and repairing mechanical doghouse roof.

Opinion of Probable Cost: Operational cost

.3 Intermediate Term Repairs (3-5 Years)

- Re-roofing cooling tower roofing (Zone 1A and 2A).

Opinion of Probable Cost: Operational Cost

.4 Long-Term Repairs (6-10 Years)

- Re-roofing tower roof levels Zones 3 and 5.

Opinion of Probable Cost: $20,000.

- General maintenance such as refilling gum boxes, resealing joints, re-spreading ballast, and roof clean up.

Opinion of Probable Cost: Operational Cost

6.0 MECHANICAL SYSTEM

The mechanical systems were inspected on a walk-through basis on January 11, 2018 for the following:

- Review for obvious code related concerns.
- Identify the general working order of base building mechanical equipment and systems.
- Identify visible issues/concerns with the base building mechanical systems
- A visual review of the following systems was undertaken; fire protection, heating system, cooling system, ventilation system, controls, plumbing and drainage systems and major miscellaneous mechanical equipment.
- No detailed review was requested at this time for the review of the individual tenant spaces.
- No detailed investigations, document review, code analysis, or technical calculations to determine adequacy of equipment capacities or performance of the mechanical/electrical systems were undertaken as part of this review.
- No destructive or quantitative testing of the equipment or peer review of the calculations/documents were undertaken to confirm original design parameters.

Access was provided to the roof, mechanical rooms, electrical rooms, underground parking, typical floor washrooms, and some tenant spaces, along with typical common area spaces.

6.1 System Description

The building mechanical systems consist of heating, ventilation and air conditioning (HVAC), plus plumbing and drainage (domestic water, sanitary and storm drainage and associated plumbing fixtures).

.1 Fire Protection

.1 Sprinklers, Standpipes, Fire Extinguishers, and Fire Hose Cabinets

The underground parkade has a dry pipe sprinkler system and hand held fire extinguishers installed throughout all areas (Photo 111).

The main floor has been provided with automatic wet pipe sprinklers and hand held fire extinguishers. The stairwell has a standpipe (Photo 118).

Siamese connections for the sprinkler systems are located at the front entrance (Photo 127).

The fire protection water service entry (Photo 96) is located within a mechanical room in the parking structure. The fire protection service has the following components: sprinkler alarm valve (Photo 97), a Double Check Valve Assembly (DCVA) backflow preventer (Photo 95) and fire pump (Photo 98).

The sprinkler alarm valve in Photo 97 shows a gear-operated butterfly valve that is not electronically supervised based on the wires that are hanging from the bottom of the gearbox. It is recommended that this valve be monitored by the fire alarm system.

The fire pump in Photo 98 appears to be missing a pipe support on the right hand side.

The incoming fire protection water service is comprised of galvanized piping (Photo 96). This type of piping can develop build-ups inside the pipe that can reduce water flow.

A plugged flange that was left from a previous piping repair was left sitting on the pipe in Photo 88. Due to the presence of galvanized piping and this plugged flange, it is recommended that the sprinkler system be flow tested, to determine if adequate fire flows are available downstream of the galvanized piping and spot check points in the building.

The balance of the occupied floors and the Mechanical Penthouse are provided with hand held fire extinguishers and each elevator lobby has a fire hose cabinet.

Automatic sprinkler heads and fusible links appear clean.

.2 Fire Stopping

The typical electrical room on each level had a large opening in the floor that requires fire stopping (Photo 69).

It appears that penetrations through what are believed to be rated assemblies require fire stopping (Photo 13). Fire dampers were not reviewed on site.

It is recommended that a thorough review of the penetrations through fire separations at Compass Place be undertaken. Our opinion of probable costs for fire stopping remediation is $50,000, but this amount is not based on a comprehensive review of all potential occurrences. To further refine this cost, if desired, we recommend a full and detailed review be undertaken.

.2 Heating System

.1 Building Heating

The building is heated with three [3] RBI (2008) gas fired heating water boilers. A pumped piping system distributes heating water to the building perimeter radiation elements, and heating coils in the two main building air systems. Entrances are provided with fan powered heating coil units connected to the heating water piping system. No leaks in the piping system were reported. The piping and valves appear to be in fair condition.

Perimeter radiant heating systems appear to be in good condition. Perimeter heating on levels: 10, 5, and 3 (one third of the building) have been zoned to provide better comfort.

.2 Parking Structure Ramp

The exterior entrance ramp down into the parkade is heated with an in-slab glycol heating system (Photo 110). The glycol loop originates in the water service room in the parking structure, a shell and tube heat exchanger is used between the hot water heating piping and the glycol loop. The building operations team indicated that there is a leak in the glycol loop. It is recommended that facilities investigate the source of the leak to eliminate the continuous monitoring and adding of glycol to the loop.

.3 Cooling System

A 250 ton Carrier R-134a refrigerant, centrifugal refrigeration chiller (installed in 2005), and cooling tower (refurbished in 2009) provides chilled water for the building. From the chiller, chilled water is pumped via a plastic piping system to the cooling coils in the two air handling units to provide air conditioning for the building. Heat is rejected from the chiller to the cooling tower via a pumped plastic piping system to the cooling tower. Both the chilled water piping and condenser water piping and air system cooling coils were replaced with the chiller and cooling tower in 2005.

The piping is in fair condition, minor leaks were observed on site and some insulation was noted with water damage resulting in mold growth (Photos 42 and 48). Piping supports should be reviewed in further details where insulated metal strainers are not supported and potentially adding stress to the solvent welded joints (Photo 48). It is recommended that detailed review of the pipe supports be conducted and additional supports added as required. Additionally the minor leaks and damaged insulation be repaired.

.4 Ventilation System

All ductwork, fans, and air systems appear to be in fair working condition for their age. The spaces reviewed within the building were comfortable in temperature and appeared to be fresh and well ventilated.

.1 Building Ventilation

Ventilation and air conditioning is supplied to the interior of the building by two built-up type air systems located in the Penthouse Mechanical Room. Each air system consists of a supply fan, cooling coil, heating coil, pre-filter, bag filter, mixing section, return fan, and electric humidifier.

The supply fans for both AHU-1 and AHU-2 have been retrofitted with variable frequency drives (VFDs) in 2014.

Supply air is ducted to the various spaces in the building to air volume boxes before distribution to the occupied spaces through ceiling diffusers and air handling light fixture troffers. The amount of cooling air provided to each space is regulated by room thermostats that work in sequence with the air volume box and perimeter radiation control valves.

.2 Parking Structure Ventilation

The underground parking structure is ventilated by an original gas fired Engineered Air make-up air (MAU-1) system and exhaust fan system. Carbon monoxide sensing system controls the operation of the exhaust fans/make up air units. When carbon monoxide levels exceed a set point limit, the exhaust fan is energized to exhaust to the exterior and the make-up air unit and the make-up air unit energizes to compensate for the exhaust. Aside from the gas sensors that were replaced in 2016, the parking structure ventilation equipment is past its normal life expectancy.

The make-up air unit was operating at the time of our site visit. The ductwork on the outlet of the make-up air unit has a 7 cm x 3 cm hole (Photos 85 and 86) and should be repaired.

The make-up air unit intake is located on the wall of a doghouse with a metal mesh screen (Photo 124). The intake is located adjacent to a parking stall. It is recommended that signage be added to this area to indicate "No Idling".

The condition of the outlet air ductwork and air plenum on the outlet side of the parking structure exhaust fan shows visible signs of corrosion (Photos 100 and 101) and should be repaired.

It is recommended that the parking structure make-up air unit and the exhaust fan be replaced within the next ten years and the ductwork be repaired.

.3 Washroom Exhaust Systems

Base building washrooms have exhaust grilles that connect to a central exhaust fan located in the penthouse. The tenth level has what appears to be both an exhaust grille and a residential style exhaust fan (Photo 4). The exhaust grille is likely connected to the central washroom exhaust fan located in the penthouse. The presence of the second residential bathroom fan would indicate that an additional fan was added due to occupant complaints, and that the original central washroom exhaust fan may not be providing enough exhaust air. The central exhaust fan was operating at the time of the MCWH's site visit (Photos 46 and 47). It is recommended that the central washroom exhaust fan be replaced within the next 10 years.

.5 Controls

The heating, cooling, and ventilation systems are regulated and controlled by a combination digital and pneumatic control system. Control pneumatic air is provided by a duplex compressor system (Photo 39) located in the Mechanical Penthouse for damper motors and valves. One compressor was replaced in 2012. The digital control system is used to monitor and adjust air and water temperatures for the chiller, boilers.

The controls system appears to be in fair condition. Thermostats are reported by facility maintenance to be checked regularly and appeared to be operational.

A damper on AHU-1 was missing an actuator assembly (Photo 59). The damper is being held in position by a wire; the position of this damper could impact building pressurization or the volume of outdoor air being supplied to the building. The damper purpose and position should be verified and a new actuator be installed to allow the building controls to fully function. The ASHRAE 62 standard referenced by the latest Alberta Building Code can be used to determine the minimum outdoor air volume required. When minimum outdoor air volumes are not achieved, building occupants are negatively impacted.

.6 Domestic Water System

.1 Cold Water System

The incoming domestic cold water system was comprised of galvanized piping (Photo 96). Galvanized piping is not an acceptable piping material for domestic cold water under today's building codes. This type of piping can also lead to elevated levels of lead and is susceptible to build up that can reduce water flow. The incoming domestic cold water service shut-off valve in Photo 88, shows a piece of flanged pipe from a previous repair that was left sitting on the service showing a severe blockage.

It is recommended that the domestic water piping be replaced to a code approved piping material.

The domestic water has a double check valve assembly (DCVA) backflow preventer and a water meter.

Photo 96 would also indicate a lack of appropriate piping support on the 4" domestic water line where two gate valves on the 4" domestic water line are located with no support at the base elbow. It is recommended that piping supports within the parking structure mechanical room be investigated and resolved to prevent potential stresses on pipe joints.

The domestic water system has a primary and secondary booster pumps (Photo 95). The primary domestic water booster pump (Photos 90 and 91) was replaced in 2016. The secondary domestic water booster pump (Photos 92 to 94) appears to be original to the building and is past its life expectancy; however, based on the reported low usage of this secondary pump it is our opinion that it can remain in service.

.2 **Hot Water System**

The natural gas fired PHCC water heater is located in the Mechanical Penthouse and is complete with recirculation pump (Photo 7). The water heater is 12 years old, has a natural draft flue, and appears to be in good condition. It is recommended that the pressure relief valve be piped so that the outlet extends to the floor level for safety purposes.

There are instances of hot water piping without thermal insulation in the mechanical room (Photos 9 and 10). This is inefficient as heat is allowed to escape from the hot water to the service space instead of being used at the plumbing fixture. It is recommended that this piping be insulated.

.3 **Base Building Washrooms**

Each floor has a male and female washroom group. All original fixtures appear to have been replaced with hands free faucets and flush valves. Although the date of this work is unknown, the fixtures appear to be in good condition and operating properly (Photos 1 to 3).

.7 Drainage Systems

A sump pump and pit (Figure 114) appear to be in poor condition based on evidence of a leak on the pump casing. There also does not appear to be a check valve on the pump outlet.

It is recommended that the sump pump be replaced with a duplex pumping system complete with a check valve on the outlet piping and a high level water alarm in the sump pit.

The parking structure drainage is collected by a cast iron piping system, which appears to be operating effectively; the parking structure did not show any indication of clogged drains.

.1 **Storm Drainage**

Rainwater is collected drained via roof drains complete with strainers and discharged to the City of Edmonton sewer. The roof drains appear to be in good condition.

The parking structure entrance has a trench drain at the bottom of the ramp outside of the overhead door; this trench drain would be susceptible to dirt and debris (Photo 130). It is recommended that this trench drain be cleaned out regularly.

.2 **Sanitary Drainage**

Sanitary drainage is collected by a cast iron piping system and is discharged to the City of Edmonton sanitary sewer system through a gravity pipe drainage system. The cast iron piping in the parking structure has had several leaks and is currently leaking in some areas. Replacement of some of the cast iron sanitary drainage piping with XFR DWV piping has been completed.

The sanitary drainage piping visible in the parking structure (Figure 80) appears to be in fair condition. There are signs that some fittings have miss-aligned over time (Figure 117). While other fittings, such as the clean- out (Figure 116) shows the clean-out cover not fully closed. It is recommended that pipe alignment and instances of leakage be repaired as they are identified.

It was noted that in the sample tenant suites that were unoccupied the sanitary drainage piping below the sinks was ABS. This type of plastic piping is not a code approved piping material for this type of building. It is recommended that XFR DWV piping, which is plenum rated and has the appropriate smoke and flame spread ratings, be used to replace any ABS DWV piping.

It is recommended that facilities management complete an annual inspection on the sanitary drainage system to identify any leaks or repair work required. It is also advised the facilities promote a culture with its tenants where they report any water stains or leaks.

.3 Sanitary Venting

The sanitary vent stack outlet (Photo 123) is supposed to terminate a minimum of 150 mm above the roof to be code compliant. It is recommended that this vent stack termination be raised to prevent snow and ice build-up from blocking the outlet.

.8 Natural Gas Systems

Natural gas is provided to the building from the utility gas mains. A shut-off located outside the building is protected with yellow bollards (Photo 125). The gas meter assembly is located in the parking structure (Photo 79) and is then piped to the various gas fired appliances within the building.

(Refer to Photos in Appendix D)

6.2 Observations and Concerns Noted

The overall appearance of the mechanical systems is good to fair. The interior condition of the piping systems was not reviewed as part of this non-exhaustive visual review. However, there was no evidence or report of leaks or problems with the various piping systems except for the glycol parking structure ramp snowmelt system and the drainage piping in the parking structure.

The following table lists the age of the building's mechanical equipment and the associated "equipment life expectancy" as published by the American Society of Heating Refrigeration and Air-conditioning Engineers (ASHRAE).

Equipment	Year Installed	Age (Years)	ASHRAE Life Expectancy (Years)	Remaining Service Life	Notes
Fire Flow Testing	n/a	n/a	n/a	n/a	Based on the fully plugged pipe flange present in the mechanical room, it is highly recommended that the condition of the fire sprinkler system be verified via spot checking of piping throughout the building and flow testing the system to ensure sufficient water is available as required.
Penetrations thru fire separations	n/a	n/a	n/a	n/a	Comprehensive review is required to establish scope. As no specific scope is known, a preliminary allowance has been suggested.
Glycol snowmelt system leak	n/a	n/a	n/a	n/a	Investigation is required to determine source of leak. As no specific scope is known, a preliminary allowance has been suggested.
Sump Pumps	1973	45	10	-35	The system is beyond its life expectancy and a full replacement may be required once a detailed review of the sump pit is complete. The mechanical systems should be replaced and the opinion of probable cost has been listed for the mechanical scope only.
Sanitary Piping	1973	45	35	n/a	Occurrences of leakage may increase depending on actual piping conditions. An annual maintenance allowance to replace segments of piping should be utilized over the next 10 years.
Air Terminal Boxes	1973	Varies	20	As much as -25	Units are being replaced as tenants revise spaces. Units should be replaced under the maintenance budget when needed.
MAU and Parkade Exhaust	1973	45	25	-20	The parking structure ventilation system has exceeded its life expectancy and is due for replacement.

Equipment	Year Installed	Age (Years)	ASHRAE Life Expectancy (Years)	Remaining Service Life	Notes
In-line Pumps	Varies	Varies	10	Varies	Small In-line pumps should be replaced under a maintenance budget when needed.
Electric Motors	2000	18	18	0	Motors older than 2000 are likely going to need repairs or complete replacement. Electric motors should be repaired under a maintenance budget when needed.
Domestic Hot Water Tank Burner	2006	12	21	9	More energy efficient models available, flue modifications would be required.
Hot Water Unit Heaters	1973	45	20	-25	Unit heater in the boiler room appears to be original and should be replaced. Any other unit heaters should also be replaced as needed (<10,000).
Fans Centrifugal (AHUs)	1973	45	25	-20	Fan motors associated with the AHU were serviced when the VFDs were added in 2014, (estimated remaining service life is 8 years). A full AHU replacement is recommended within the 10 years.
Fan Centrifugal (Washroom Exhaust)	1973	45	25	-20	It is estimated that this fan, may require replacement within the next 10 years.
Coils	2005	13	20	7	Minor work on the air handler heating and cooling coils could be anticipated within the next 10 years. Repairs should be completed as needed under a maintenance budget.
Radiant heaters (perimeter)	1973	45	25	-20	Units should be replaced on an as needed basis under a maintenance budget.
Boilers	2008	10	24	14	
Burners (heating boilers)	2008	10	21	11	
Ductwork	1973	45	30	-15	Minor repairs to ductwork as required, example MAU ductwork hole
VFDs	2014	4	17	13	
Chillers	2005	13	23	10	Only minor piping repairs, highlighted in the report are anticipated.

Equipment	Year Installed	Age (Years)	ASHRAE Life Expectancy (Years)	Remaining Service Life	Notes
Cooling Towers (galvanized)	2009	9	20	11	Only minor repair and maintenance is anticipated
Base Mounted Pumps (lead domestic cold water booster)	2016	2	20	18	The secondary domestic cold water booster pump does not see the duty cycle that the primary pump experiences and therefore is expected to continue to operate as expected.
Base Mounted Pumps (Heating distribution pumps)	2008	10	21	11	Based on the maintenance being conducted at the site only minor work is anticipated within the next 10 years.
Base Mounted Pumps (chilled water pumps)	2005	13	21	8	Based on the maintenance being conducted at the site only minor work is anticipated within the next 10 years.
Pneumatic Controls	1973	45	20	-25	The pneumatic controls have exceeded their life expectancy; however, the maintenance on the devices in combination with the newer central compressor components suggests that only minor work may be required within the next 10 years. If the building operations finds it to be advantageous to convert to an all digital control system the opinion of probable cost is estimated at $180,000.
Valve Actuators	1998	20	20	0	Valve actuator older than 1998 will need to be replaced on an as needed basis, this is not a significant cost.

6.3 Probable Costs of Repair/Replacement

An opinion of probable cost is included below and is our best judgement as a design professional and are only provided as a guide, as we are not cost consultants. As consultants, we have no control over the cost of labour and material, competitive bidding, or market conditions. We do not guarantee the accuracy of the opinion as compared to actual bids or costs to the client. If a higher level of confidence is required, then it is recommended that a professional cost consultant be retained.

.1 Immediate Repairs

- Fire flow testing. No specific scope is presently defined.

Opinion of Probable Cost: Unknown

.2 Near-Term Repairs (1-2 Years)

- Penetrations through fire separations.

Opinion of Probable Cost: $50,000.

- Glycol snowmelt system leak.

Opinion of Probable Cost: $30,000.

- Sump pumps (duplex pumps, check valve, alarm only).

Opinion of Probable Cost: $12,000.

.3 Intermediate Term Repairs (3-5 Years)

- Sanitary piping

Opinion of Probable Cost: Operational Cost

- Air terminal boxes

Opinion of Probable Cost: Operational Cost

- MAU and parking structure exhaust

Opinion of Probable Cost: $70,000.

- In-line pumps

Opinion of Probable Cost: Operational Cost

- Electric motors

Opinion of Probable Cost: Operational Cost

.4 Long-Term Repairs (6-10 Years)

- Domestic hot water tank burner

Opinion of Probable Cost: $15,000.

- Hot water unit heaters

Opinion of Probable Cost: Operational Cost

- Fans centrifugal (AHUs) (based on a 2014 air handler project)

Opinion of Probable Cost: $1,200,000.

- Fan centrifugal (washroom exhaust)

Opinion of Probable Cost: $25,000.

- Coils

Opinion of Probable Cost: Operational Cost

- Radiant heaters (perimeter)

Opinion of Probable Cost: Operational Cost

7.0 ELECTRICAL SYSTEM

The electrical systems were inspected on a walk-through basis on January 11, 2018 for the following:

- Ensure the building generally meets Code requirements.
- Identify the general working order of equipment and systems.
- Visual review of the following systems were undertaken; main incoming power distribution system, major components of the building's lighting/power distribution system, life safety - lighting system, life safety - fire alarm system, security system, and major miscellaneous electrical equipment.
- The scope of the project was to produce a report based on a physical, visual inspection of the facility in addition to interviewing property management personnel. Detailed investigations, code analysis, or technical calculations to determine adequacy of equipment capacities or performance of the mechanical/electrical systems are not included in the scope of this review.
- This review will highlight any issues/concerns within the base building structure/infrastructure that may be evident with respect to potential code issues, general condition of the systems and to note any items of concern. The review of individual tenant spaces is not within the scope of this review as this review is to be limited to common base building equipment, devices, and concerns.
- No destructive or quantitative testing of the equipment or peer review of the calculations / documents were undertaken to confirm design parameters.

7.1 System Description

.1 Main Service and Distribution (Lighting and Power)

The main Utility (EPCOR) exterior pad mount transformer (air cooled fins) is located on the North West side of the property and is accessible from the side lane of the property. The Utility transformer is protected by a standard EPCOR style railing. As the transformer identification / ratings are unreadable, by calculation it appears that the Utility transformer is rated as a 1.5 Mva transformer (Appendix E, Photo 1).

The main incoming distribution equipment (service entrance, Central Distribution Panel - CDP) is located within the first level of the parking structure in the main electrical room essentially below the main Utility transformer. The main bus of the existing equipment is rated/identified as 1600 amps at 600 VAC, 3 phase 4 wire. All of the electrical equipment within the main electrical room was installed in 1973 (45 years old) and is original to the building (Appendix E, Photos 2 and 3).

The main electrical distribution system serves panels throughout the facility (tenant floor level distribution and mechanical equipment via a 600 VAC, 3 phase 4 wire distribution system with local floor level transformation down to 208/120 VAC 3 phase 4 wire within the floor level electrical rooms. Generally, the low voltage floor level distribution equipment is original to the building (45 years old) unless the required tenant modifications require new equipment.

It was reported that the management team engages Pace Technologies to provide yearly infrared scanning of the electrical distribution equipment in an effort to mitigate any issues of concern before they become critical and jeopardize the properly functionality of the electrical distribution system (Appendix E, Photos 4 and 5).

The building management team is aware of the age/condition of the electrical distribution system. The management team stated that the main service equipment (incoming service and main CDP) has exceeded the manufactures recommended service life of 40 years. The management team also stated that they have initiated an electrical distribution replacement project in an effort to mitigate possible future issues related to the main distribution system (obsolescence of replacement parts and ensuring future serviceability/functionality of the electrical distribution system). Currently this electrical distribution replacement project focuses on the main electrical distribution equipment (service entry and main CDP); however, it will be expanded to the floor level systems in the future (2019/2020 calendar year). Replacement of the main incoming distribution equipment is scheduled to be completed in this calendar year (2018).

The management team reported that an engineering firm has been engaged to proceed with the work as directed. Thus, we were directed not to comment upon the upcoming electrical distribution replacement project. It is presumed that in conjunction with the equipment replacement, the facility will undergo a complete arc flash and coordination study.

It was stated in the interview that previously the main electrical room had some issues related to the ingress of ground water and that all ingress issues have been resolved. It was noted that although the water issue has been resolved the evidence of previous water ingression is still evident. The management team indicated that during the replacement of the Main Distribution equipment, the entire room will be reviewed and, if further remediation is required, it will occur within the equipment replacement project (Appendix E, Photo 6).

From the verbal information gleaned in discussions with the sites' management personnel, the management team appears to have a well-conceived preventative maintenance plan/schedule. They appear to actively monitor and maintain the equipment and infrastructure in an effort to ensure that any items of concern are resolved in a timely manner and do not evolve into a critical issue.

.2 Lighting

The management team has indicated an ongoing luminaire re-lamping/change out project is occurring. This project changes the luminaires from the incandescent, fluorescent sourced lighting to energy efficient LED sourced lighting. Currently it is reported that the buildings common areas and the parking structure have been retrofitted with LED sources and these areas utilize both motion activated switching and an overall lighting time clock to control the lighting.

It is reported that the management team noticed/realized a substantial reduction in electrical power consumption upon re-laming of the luminaires (Appendix E, Photos 7 to 10).

It is reported that the service spaces (floor level electrical rooms, mechanical/electrical room) are to undergo the lighting retrofit project as resources become available, possibly within the current calendar year (2018).

As the individual tenant spaces are the responsibility of the individual tenants, the modification to LED lighting will occur as tenants require/request modification and as rental space is available for new tenants.

.3 Emergency Lighting and Exit Lighting

The management team has indicated that the majority of the facility has the red verbiage 'EXIT" signage installed, the only place where this differs is in the most receipt tenant modification (top floor).

Upon moving into the facility, the top floor tenant renovated and modified the tenant space to accommodate their usage requirements. Within the tenant's renovation project, the pictorial "Green Running man" exit signage was installed. Thus, it is noted that the current facility utilizes two different styles of signage to identify emergency exit path routes (Appendix E, Photos 11 and 12).

As stated in the description of the emergency generator, the life safety emergency lighting is serviced from the emergency generator located in the penthouse mechanical room. Also included within the emergency lighting distributing system are standard emergency battery packs, scattered throughout the facility. It was noted that individual emergency battery packs did not have stickers/identification affixed to indicate when the last testing of the system occurred. The management team verbally indicated that to their knowledge the emergency lighting system is fully functional and operates when required.

.4 Elevator Distribution

During the site review, a brief discussion of the electrical distribution system associated to the three (3) elevators occurred with the management team. It was noted that the Elevator Consultant is responsible for the review of the complete elevator system.

The management team indicated that in the near future (1-5 years) an elevator modernization project would be considered. It was suggested that all systems/modifications required to facilitate an elevator modernization project be in place prior to the initiation of the elevator modernization project (i.e. fire alarm requirements – detection within every elevator lobby, fire alarm relays: home, alternate home, elevator machine room etc.).

.5 Emergency Power

A gaseous Emergency generator (600/347 VAC, 3-phase, 4-wire - 18.75 kVA/ 15 kW) Onan generator provides emergency services to the lighting system (emergency lighting and exit lighting) serving panel 1-EM and sub fed panel 2-EM utilizing the transfer switch adjacent to the generator. This emergency generator is located within the penthouse mechanical room.

The emergency electrical loads (208/120 VAC) connected to the emergency distribution system panels are identified as; exit lighting, elevator cab lighting, fire alarm panel (red breaker – locked on) and the parking structure emergency lighting panel (Appendix E, Photos 13 and 14).

It was noted that if an upgrade / modification to the emergency power distribution system is contemplated, conversations with the local AHJ should be initiated to review acceptable fuel sources and/or if the AHJ would accept an alternate emergency power source than a standard generator.

.6 Life Safety - Fire Alarm System

The sites existing life safety fire alarm system was manufactured by Chubb Edwards (6500 series). It is noted that the existing installed fire alarm system is a hard-wired conventional fire alarm system and is deemed obsolete by the manufacturer (Chubb Edwards). As a result of the manufacturer's designation and the lack of hard-wired replacement parts, any modification of the fire alarm system typically requires recertification of the hard-wired fire alarm system (Appendix E, Photos 15 to 17).

The existing fire alarm system undergoes annual testing as required by the Alberta Building Code (ABC) and ULC S536 as indicated by the annual testing notice. The latest yearly fire alarm test was recently completed (October 18, 2017). Eventually modifications to the old/original fire alarm system to accommodate system repairs and /or new requirements (initiation, signalling, or monitoring) will become to cost prohibitive.

Site personnel indicated that a fire alarm repair/replacement project is scheduled to occur within the 1 – 5 year time frame and will replace the obsolete Edwards 6500 series conventional fire alarm system with a new network based addressable fire alarm system.

(Refer to Photos in Appendix E)

7.2 Observations and Concerns Noted

.1 Main Service and Distribution (Lighting and Power)

CODE VIOLATIONS:

- None noted.

CONCERNS:

- Ensure that the resultant distribution replacement project includes the production of record drawings identify all aspects of the single line protection philosophy including breaker frame size, breaker trip, and conduit/wire size.
- Ensure that at the completion of the electrical distribution modification project, arc flash labels are installed and arc flash, co-ordination studies are provided to the owner.

.2 Lighting

CODE VIOLATIONS/CONCERNS:

- None noted.

.3 Emergency Lighting and Exit Lighting

CODE VIOLATIONS:

- None noted.

CONCERNS:

- Documentation indicating the most recent testing of the emergency lighting system should be displayed and readily available for review by the general public. Therefore, it is recommended to utilize or affix testing stickers to the individual battery packs and have a testing certificate readily available within the building management offices.

.4 Elevator Distribution

CODE VIOLATIONS/CONCERNS:

- None noted.

.5 Emergency Power

CODE VIOLATIONS:

- None noted.

CONCERNS:

- Current code requirements related to emergency power distribution systems require the segregation of the distribution system into the following categories, all controlled by their own independent transfer switch.
  - Emergency life safety distribution system: dedicated to life safety systems, fire alarm, emergency lighting, exit lighting.
  - Emergency building essential non-life safety distribution system: dedicated to building operations in an emergency situation, freeze protection, data center requirements.

  The philosophy behind the new code requirements is to preserve the power to the life safety distribution system as long as possible. If required, emergency personnel have the capability of de-energizing the various systems (elevators, building essential non-life safety) to ensure the operation of the emergency – life safety distribution system. The emphasis is on personnel / life safety in all emergency situations.

.6 Life Safety - Fire Alarm System

CODE VIOLATIONS:

- None noted.

CONCERNS:

- As mentioned above the current fire alarm system (Edwards 6500 series) is deemed obsolete by the manufacturer, replacement parts are increasingly difficult to source, any modification to the hard wired boards requires soldering of wires and thus may affect the ULC certification of the fire alarm system.
- It is recommended to initiate a fire alarm repair/replacement project as soon as resources become available to ensure the life safety of the facility is not compromised.
- It is our understanding that the fire alarm end devices are original, device manufactures typically recommend that the end devices are replaced every 10 years to ensure proper functionality of the detectors otherwise the detectors require re-certification once they exceed 10 years' service life. It is noted that due to the labour involved re-certification is usually more cost prohibitive than device replacement.

7.3 Probable Costs of Repair/Replacement

Noting that our scope was did not include existing projects (design & construction) and noting that as scheduled by the end of the next calendar year (2018) essentially all major electrical systems will have undergone replacement/retro-fit projects, the majority of future work appears to be maintaining the "new" distribution systems. Thus, there does not appear to be major electrical projects in the near future, after the completion of the scheduled projects noted above.

With the information above, the Opinions of Probable Cost relate primarily to maintenance activities.

.1 Immediate Repairs

- Ensure annual testing of the Emergency lighting system.

Opinion of Probable Cost: Operational Cost

- Review / ensure fire stopping (floor level electrical rooms, price per floor - Appendix E, Photo 18).

Opinion of Probable Cost: Operational Cost

- Yearly thermographic scans (maintenance budget).

Opinion of Probable Cost: Operational Cost

- Completion of current/scheduled construction projects. (Includes replacement of main distribution system – design and subsequent construction).

Opinion of Probable Cost: In progress

.2 Near-Term Repairs (1-2 Years)

- None noted.

.3 Intermediate Term Repairs (3-5 Years)

- Repair/replacement of existing fire alarm system (piece for piece)

Opinion of Probable Cost: $60,000.

.4 Long-Term Repairs (6-10 Years)

- None noted.

8.0 ELEVATORS

8.1 System Description

On January 11, 2018, KJA conducted a condition assessment of the elevators and dumbwaiter located at the Compass Place building in Edmonton, AB. The purpose of the inspection was to review the equipment condition and to provide an estimate for required and recommended capital expenditures over the next ten (10) years. KJA did not inspect or test the safety features of the equipment and installation and did not check the equipment for compliance with requirements of the regulating authorities.

We understand that Edmonton Elevator is currently maintaining the equipment under the terms of the "full-service" maintenance contract. The equipment reviewed in this report consists of the following:

Equipment Summary				
Unit	Designation	Type	Installation	Modernization
1 - 3	Tower Elevators	Overhead gearless traction	Montgomery circa 1974	Not applicable[1]
4	Parking Elevator	Buried hydraulic	Montgomery circa 1974	Not applicable[2]
5	Dumbwaiter	Overhead geared traction	circa 1983	Not applicable

The maintenance logbooks are located in the elevator machine rooms. The following table summarizes the regularly scheduled maintenance tasks, annual and oil loss monitoring tasks as required by the B44 Safety Code for Elevators:

Log Book Records Summary			
Unit	Regular Maintenance Tasks	Annual Tasks	Five-Year Tasks / Oil Logs
1 - 3	Up to date	Several 2017 tasks remain outstanding.	Next due 2022
4	Up to date	Several 2017 tasks remain outstanding.	Oil logs have sporadic completion.
5	Up to date	Several 2017 tasks remain outstanding.	Next due 2022

Later in this report (Observations and Conditions Noted), we have listed some upgrades that may be considered or required over the next ten (10) years. Short of these items, we do not anticipate any immediate major problems that would require capital expenditures. Any major repairs short of vandalism or "Acts of God" should be covered under the terms of the full maintenance contract.

.1 Passenger Elevators 1 - 3

Government installation numbers: ..... E004726, E004727 & E004728
Installed by / date installed: ..... Montgomery / circa 1974
Service company: ..... Edmonton Elevator
Capacity (pounds): 3000
Function: ..... passenger
Floors served: ..... M*, 2 - 9
Contract speed (feet per minute): 350
Governor trip speed (feet per minute): 452
Drive method: ..... overhead geared traction
Machine type: ..... Montgomery geared
Controller type: ..... Montgomery type V.V.
Motor type: ..... General Electric 40 HP DC
Drive type: ..... GE 25 kw/20 HP motor-generator (M-G) set
Roping / roping ratio: ..... 4 x 5/8" single wrapped / 1:1

[1] The elevator cab finishes and fixtures appear to have been upgraded from the original equipment.
[2] The original cylinder assembly has been upgraded with a new cylinder protected by a PVC liner.

Auxiliary brake: ..... not provided
Door type: ..... single speed center-opening
Door operator: ..... MAC PWSCC
Hall door interlocks: ..... MAC P-13002
Car door restrictors / hall door retainers: ..... not provided / not provided
Door dimensions (W x H, inches): ..... 42 x 84
Door protection: ..... infrared multi-beam
Cab size (W x D x H, inches): ..... Elevator 1: 80 x 55 x 127[3]
Elevators 2 & 3: 80 x 55 x 101[4]
Car station: ..... main only
Car position indicator (car / hall): ..... digital / digital at Level 'M'
Car / counterweight guiding: ..... roller / roller
Arrival signals: ..... hall lanterns with dual stroke gongs
Communication: ..... hands free phone and alarm bell
Emergency power: ..... not provided
Firefighters' Emergency Operation: ..... not provided
Security: ..... individual in-car floor lock-off key switches
Car top railings / machine guarding: ..... not provided / not provided
Machine room cooling: ..... air conditioning

.2 Parking Elevators 4

Number of elevators in group (designation): ..... 1 (Elevator 4)
Government installation numbers: E004729
Installed by / date installed: ..... Montgomery / Circa 1974
Service company: ..... Edmonton Elevator
Capacity (pounds): 2000
Function: ..... Passenger
Floors served: ..... P3, P2, P1, M*
Contract speed (feet per minute): 125
Drive method: ..... direct buried hydraulic
Pump type: ..... External
Controller type: ..... Montgomery MFS relay based
Motor type: ..... Leroy-Somer 25 HP AC
Valve type: ..... Maxton UC4M B44
Oil cooler: ..... not provided
Corrosion protection: ..... PVC liner
Door type: ..... single speed side opening
Door operator: ..... MAC PMSCC
Hall door interlocks: ..... MAC P-13002
Car door restrictors / hall door retainers: ..... not provided / not provided
Door dimensions (W x H, inches): ..... 36 x 84

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[3] Ceiling height measures 120" to the underside of the suspended ceiling.
[4] Ceiling height measures 93" to the underside of the suspended ceiling.

Door protection: ..... infrared multi-beam
Cab size (W x D x H, inches): ..... 72 x 42 x 100[5]
Car station: ..... main only
Car position indicator (car / hall): ..... digital / digital at Level 'M'
Car guiding: ..... roller
Arrival signals: ..... not provided
Communication: ..... hands free phone
Emergency power: ..... not provided
Firefighters' Emergency Operation: ..... not provided
Security: ..... proximity card reader in hall station @ Level 'M' only
Machine room cooling: ..... vent

.3 Dumbwaiter 5

Number of elevators in group (designation): ..... 1 (Dumbwaiter #5)
Government installation numbers: E833332
Installed by / date installed: ..... Unknown / circa 1983
Service company: ..... Edmonton Elevator
Capacity (pounds): 500
Function: ..... Dumbwaiter
Floors served: ..... Levels 9 & 10
Contract speed (feet per minute): 50
Governor trip speed (feet per minute): ..... Not applicable
Drive method: ..... overhead drum-type geared traction
Machine type: ..... Matot geared overhead
Controller type: ..... Matot Series 100 relay based
Motor type: ..... Baldor 3 HP AC
Drive type: ..... Single speed AC
Roping / roping ratio: ..... 1 x 3/16" drum type wrap / 1:1
Auxiliary brake: ..... not provided
Door type: ..... manual horizontal bi-parting
Door operator: ..... Not applicable
Hall door interlocks: ..... Matot
Car door restrictors / hall door retainers: ..... not provided / not provided
Door dimensions (W x H, inches): ..... 36 x 51
Door protection: ..... not provided
Cab size (W x D x H, inches): ..... 35 x 32 x 48
Car station: ..... not provided
Car position indicator (car / hall): ..... not provided / not provided
Car / counterweight guiding: ..... guide shoes / not provided
Arrival signals: ..... not provided
Communication: ..... not provided
Emergency power: ..... not provided

[5] The cab height measures 91" to the underside of the suspended ceiling.

Firefighters' Emergency Operation:.....not provided
Security:.....not provided
Car top railings / machine guarding:.....not provided
Machine room cooling:.....not provided

8.2 Observations and Conditions Noted

A typical "full-service" maintenance contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustment, and preventative maintenance work. Entrances and cab finishes are normally excluded. The only additional operating costs to the Owner should be for malicious damage and repairs to the elevator cabs and entrances. We are assuming, of course, that repairs due to accidents or "Acts of God" (flood, fire, etc.) are covered by insurance.

A summary of possible elevator upgrades or concerns is as follows. We would suggest that money be set aside for the following upgrades that will likely be required (voluntary or otherwise) over the next ten (10) years. The costs noted are indicative budget figures only, are based on the current market, and are in present dollars. The actual costs may vary depending on the time of tendering, the actual detailed scope of work and market conditions. The figures listed below do not include work required by other trades in conjunction with the elevator work.

Please note the intent of our inspection is to make recommendations for capital expenditures based on the present type and condition of the elevating equipment. No invasive procedures or equipment dismantling would typically be conducted. Hidden conditions that cannot be visually inspected may be present, hence we cannot guarantee that some will not exist that could result in requests for additional services or costs by the contractor.

.1 Major Control Modernization – Elevators 1-4

The typical elevator "full maintenance" contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustment, and preventive maintenance work. Despite this, over time some components will require modernization. Certain elevator components may soon no longer be readily available. This will require that the maintenance contractor make arrangements to purchase parts from an external supplier or have parts manufactured and repaired locally. Although this is not the owner's direct concern, it will result in some delays and difficulties in implementing a proper maintenance program. Additionally, service personnel capable of performing the numerous adjustments necessary to keep the equipment operating will become increasingly difficult to find as newer equipment designs become more predominant.

Given the quality of the equipment and the decreased reliability likely to be provided by the system due to its type and vintage, we estimate that a major modernization will be required within the next three years.

The base scope of work for Elevators 1-3 would include replacement of the present controllers with a microprocessor-based controller, replacement of the drive system with a solid state drive (such as VVVF or SCR drives), fixture replacement and replacement of the hoist machines, motors and door operating equipment. The cost for this would be in the area of $250,000 per elevator.

The scope of work for Parkade Elevator 4 would include replacement of the present controller with a newer design of microprocessor-based controller, replacement of the door operator and equipment, fixture replacement, replacement of the levelling valve and the hydraulic pump and motor. The cost for this would be in the area of $100,000.

Note: The above budget figures do not include the related modifications to the fire alarm system, emergency power system, electrical and mechanical systems to accommodate the major elevator modernization.

.2 Hall Door Retainers – Elevators 1-4

The elevator hall doors are not provided with safety retainers. These safety devices are now required by code for new installations and prevent the hall doors from being pushed off the tracks and into the hoistway. While it is currently not mandatory to install hall door retainers on the elevator, some jurisdictions have made it mandatory to provide safety retainers on installations with particular door types. Whether mandated or not it is our opinion that the hall door retainers are a desirable safety measure. We recommend budgeting $4,500 per passenger elevator and $2,000 for the parkade elevator to perform this work within the next twelve months. The cost for this work would be included with a major control modernization.

.3 Addition of Car Door Restrictors – Elevators 1-4

There are currently no car door restrictors provided. The addition of a car door restrictor would prevent the car door from being manually opened by more than 100 mm, except when the car is within the unlocking zone (extending at least 17 mm above and below the landing floor level, and possibly as much as 450 mm). This safety device reduces the risk of people falling down the hoistway while attempting to exit a stalled elevator. The Safety Code for Elevators requires a car door restrictor on all new installations. While it is not mandatory on existing installations, we believe it is a desirable safety enhancement. It is also possible that this Code requirement will be made retroactive at some point in the future. We recommend budgeting in the area of $8,000 per passenger elevator and $4,000 for the parkade elevator to perform this work within the next twelve months. The cost for this would be included with a major control modernization.

.4 Hall Door Unlocking Devices – Elevators 1-4

Hoistway door unlocking devices are not currently provided at every floor served by the elevators. These devices provide a means to disengage the locking mechanism on hoistway doors and permit the opening of hoistway doors irrespective of the position of the car. In the event of an entrapment, this safety device would allow elevator and emergency personnel to easily access the hoistway at the landing in closest proximity to the stalled car and release passengers.

The Safety Code for Elevators requires new installations to be provided with hoistway door unlocking devices for each elevator at every landing where there is an entrance. While it is not mandatory on existing installations, we believe it is a valuable improvement and it may be made retroactive at some point in the future. In some Canadian jurisdictions the provision of unlocking devices at all floors is a retroactive requirement. We recommend budgeting in the area of $4,000 per passenger elevator and $1,000 for the parkade elevator to perform this work within the next twelve months. The cost for this would be included with a major control modernization.

.5 Car Top Railings – Elevators 1-3

There has been a drive to provide top of car safety following an accident on a Toronto site. This will likely result in regulations requiring the installation of car top railings. There is no way of predicting when these regulations will be developed and applied but it is prudent to budget for the installation of these railings within the next two years. A budget figure of $6,000 per elevator is appropriate. It should be noted that if the ultimate design requirements include provision for ancillary devices such as collapsible railings and electrical interlocks this cost figure could be exceeded. The cost for this would be included with a major control modernization.

.6 Equipment Guarding – Elevators 1-3

There is a trend across Canada towards providing greater safety for workers on elevator equipment. The statutory requirements are as yet not well defined although the respective authorities often have a wide degree of latitude in the application of existing requirements to provide safe working environments.

It is expected that the requirements applicable to elevating devices might include machine room equipment guarding such as the protection of drive sheaves, machine brakes, commutators, selectors, governors, and high voltage connections. We would expect that this work would be carried out by qualified, licenced elevator contractors.

While we cannot determine the timing or extent of future regulations or changes in enforcement of existing regulations, we do recommend budgeting for the provision of elevator machine room equipment guarding. A budget figure of $15,000 per elevator is recommended. The cost for this could be included with a major control modernization.

.7 Door Operator Replacement – Elevators 1-4

The existing door operator has reached the end of its design lifespan and represents dated technology. We recommend replacement with a new closed-loop door operator. A closed-loop door operator would provide feedback on the position and speed of the elevator doors. This allows the door operator to automatically adapt to the environment in which the elevator is operating, improving overall reliability. We recommend budgeting $30,000 per passenger elevator and $25,000 for the parkade elevator to complete this work. This should be performed within the next three years. The cost for this would be included with a major control modernization.

.8 Heat Exchanger – Parkade Elevator 4

The elevator is currently not provided with a heat exchanger. This device is designed to cool the hydraulic fluid where an elevator is exposed to medium to heavy usage. High hydraulic fluid temperatures can cause changes in viscosity and the breakdown of the fluid. Elevated hydraulic fluid temperatures can lead to poor levelling and long-term exposure to excessive heat will affect the reliability and operating lifespan of the elevator equipment. We recommend that a heat exchanger be installed within the next five years. The cost for this work would be in the area of $12,000 if installed in the machine room. The heat exchanger, if located in the machine room, will transfer the heat to the machine room and thus impose an additional load on the machine room HVAC. For this reason, it may be desirable to install the heat exchanger outside of the machine room. If it is necessary to install the heat exchanger remotely, the cost will be higher since it will include provisions for building work.

.9 Major Control Modernization – Dumbwaiter 5

The typical elevator "full maintenance" contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustment, and preventive maintenance work. Despite this, however, over time some components will require modernization. Certain dumbwaiter components may eventually no longer be readily available. This will require that the maintenance contractor make arrangements to purchase parts from an external supplier or have parts manufactured and repaired locally. Although this is not the owner's direct concern, it will result in some delays and difficulties in implementing a proper maintenance program. Based on the age and current condition of the equipment, a major control modernization could be anticipated within approximately six to ten years. The scope of work would include replacement of the present controller with a newer design of microprocessor-based controller, replacement of the doors, new cab finishes, gates, and hardware, fixture replacement, and replacement of the levelling system and the hoist machine and motor. The cost for this would be in the area of $120,000 to $130,000 and this work should be undertaken in the next 6-10 years.

.10 Code Changes – All Units

Code requirements have become more onerous over the past decade and the interval between code changes has decreased. For that reason, we recommend budgeting funds at five-year intervals to address code changes. Without being able to pinpoint these changes, it is reasonable to expect that they would require in the area of $5,000 per unit every five years.

.11 Vandalism – All Units

We recommend budgeting funds to repair vandalism - principally damage to exposed finishes and fixtures. No precise figure can be assigned since much depends on the location and environment but we suggest allowing a figure of $5,000 per unit every five years.

(Refer to Photos in Appendix F)

8.3 Probable Cost of Repair/Replacement

Based on the findings of this review, we anticipate the following capital costs will be required for the elevators in the complex:

.1 Immediate Repairs

- Hall Door Retainers (Elevators 1 - 4)

Opinion of Probable Cost: $15,500.

- Car Door Restrictors (Elevators 1 - 4)

Opinion of Probable Cost: $28,000.

- Hall Door Unlocking Devices (Elevators 1 - 4)

Opinion of Probable Cost: $13,000.

.2 Near-Term Repairs (1-2 Years)

- Car Top Railings (Elevators 1 - 3)

Opinion of Probable Cost: $18,000.

- Equipment Guarding (Elevators 1 - 3)

Opinion of Probable Cost: $45,000.

.3 Intermediate Term Repairs (3-5 Years)

- Heat Exchanger (Elevator 4)

Opinion of Probable Cost: $12,000.

- Door Operator Replacement (Elevators 1 - 4)

Opinion of Probable Cost: $115,000.

- Major Control Modernization (Elevators 1 - 4)

Opinion of Probable Cost: $850,000.

- Code Changes (All Units)

Opinion of Probable Cost: $25,000.

- Vandalism (All Units)

Opinion of Probable Cost: $25,000.

.4 Long-Term Repairs (6-10 Years)

- Major Control Modernization (Dumbwaiter 5)

Opinion of Probable Cost: $130,000.

- Code Changes (All Units)

Opinion of Probable Cost: $25,000.

- Vandalism (All Units)

Opinion of Probable Cost: $25,000.

9.0 LIMITS OF LIABILITY

The review of this property was of a visual nature only. No testing or dismantling of any coverings was performed. This review was made on a random basis with no attempt to review or inspect every element or portion of the building or parking structure. The intent of the review was to determine areas of visually obvious deterioration and need for repair and to determine, in a general way, the overall quality and sufficiency of the work inspected but not to ascertain the quality of sufficiency of any particular aspect of the building or parking structure. No calculations were performed to confirm the adequacy of any of the elements reviewed.

Our review of the systems did not include a review of the safety aspects of the installation as this falls under the Jurisdiction of the Governing Authorities. In addition, testing of the building materials for Occupational Health and Safety or substance of potential environmental concern was not conducted.

This report is intended to provide the client with a general description of the systems employed in the building and parking structure and to comment on their general condition, which may be apparent at the time of our review. Our comments are not a guarantee or warranty of any aspect of the condition of the building or parking structure, whatsoever.

Drawings made available were used solely for the purpose of obtaining design information on elements hidden from view which the Engineer or his sub-consultants may require, supplemental to their visual review, in order to more fully describe the building or parking structure but no comments can be made as to the construction of those elements.

No attempts have been, as part of this assessment, to determine if there is moisture-related deterioration within the concealed space as this was beyond the scope for this assignment. We recommend an independent environmental consultant be retained to confirm with better certainty if internal damage has occurred, determine its extent, and provide suggested remediation alternative. This service has not been included as part of this assignment.

Any and all previous opinions expressed by Read Jones Christoffersen Ltd., either verbally or in writing, regarding the condition or probable costs for repair of the above elements are superseded by this report. The above costs are budget figures only, are based on the current market and are in present dollars. The actual costs may vary depending on the time of tendering, the actual detailed scope of work and market conditions.

Whereas any probable costs done by the Engineer or his sub-consultants are based on incomplete or preliminary information and on factors over which the Engineer or his sub-consultants has no control, the Engineer or his sub-consultants do not guarantee the accuracy of these cost. Unless otherwise noted, costing information does not include GST or engineering and testing fees. Costs are based on 2018 Canadian Dollars and assume the work in each discipline is completed in one phase.

This report has been prepared for the exclusive use of Client. The contents of this report may not be quoted in whole or in part of distributed to any person or entity other than by the Client or those parties possessing a reliance letter. Read Jones Christoffersen Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report.

10.0 CLOSING REMARKS

Thank you for selecting Read Jones Christoffersen Ltd. for this project. RJC would be pleased to assist you with the implementation of our recommendations. Should you have any questions or concerns, please contact this office.

This report has been submitted on behalf of the entire consulting team by:

Submitted on behalf of the consultant team by:

READ JONES CHRISTOFFERSEN LTD.

PROFESSIONAL ENGINEER
ENZO VERCILLO
ALBERTA

Enzo Vercillo, BSc, P.Eng., LEED AP
Principal

APEGA PERMIT NUMBER: P152

APPENDIX A

Building Structure and Site Photographs

Photo 1: Northeast building elevation

Photo 2: Southwest building elevation

Photo 3: Northwest elevation – loading dock area

Photo 4: Southeast corner – entrance to parking structure

Photo 5: Typical staining below suspended parking level

Photo 6: Active leak location below entrance/exit ramp

Photo 7: Typical parking level

Photo 8: Typical coating wear, exposing concrete surface below

APPENDIX B

Building Envelope Photographs

Photo 1: Overview photos

Photo 2: Overview photos

Photo 3: Overview photos

Photo 4: Overview of tower viewed from southeast

Photo 5: Block wall on northwest elevation

Photo 6: Building entrance system on northeast side of building

Photo 7: Typical ground floor windows

Photo 8: Stucco soffit above front entrance

Photo 9: Stained precast on northwest elevation

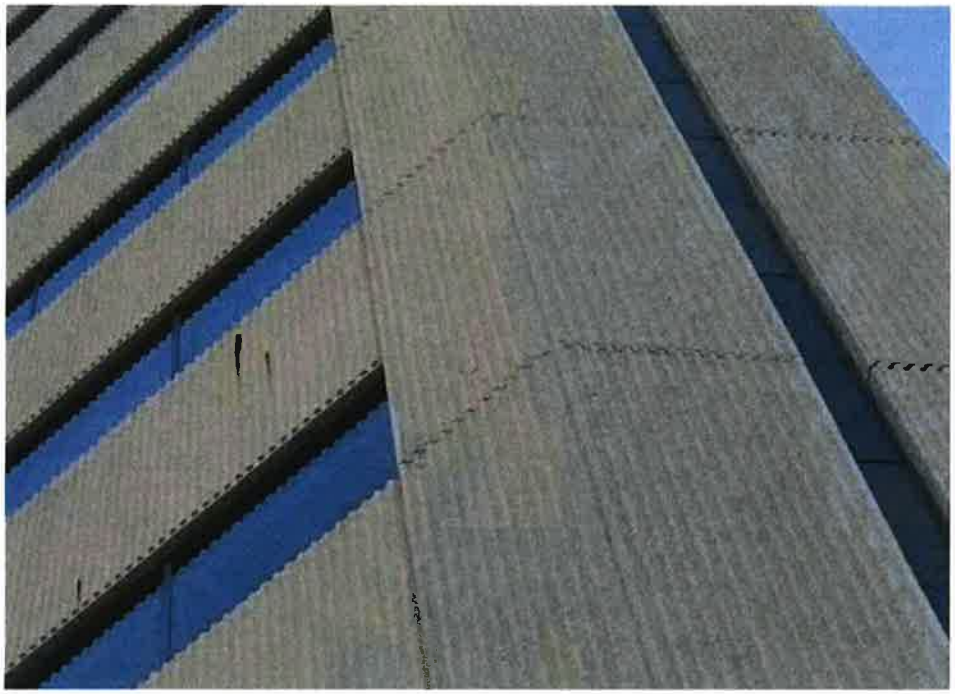


Photo 10: Stained precast on northeast elevation

Photo 11: Failed caulking on west corner of building

Photo 12: Deteriorated caulking at east corner of building

Photo 13: Failed caulking between aluminum frame and metal panel

Photo 14: Failed caulking at typical glazing joint

Photo 15: Loose interior gasket on 10th floor window

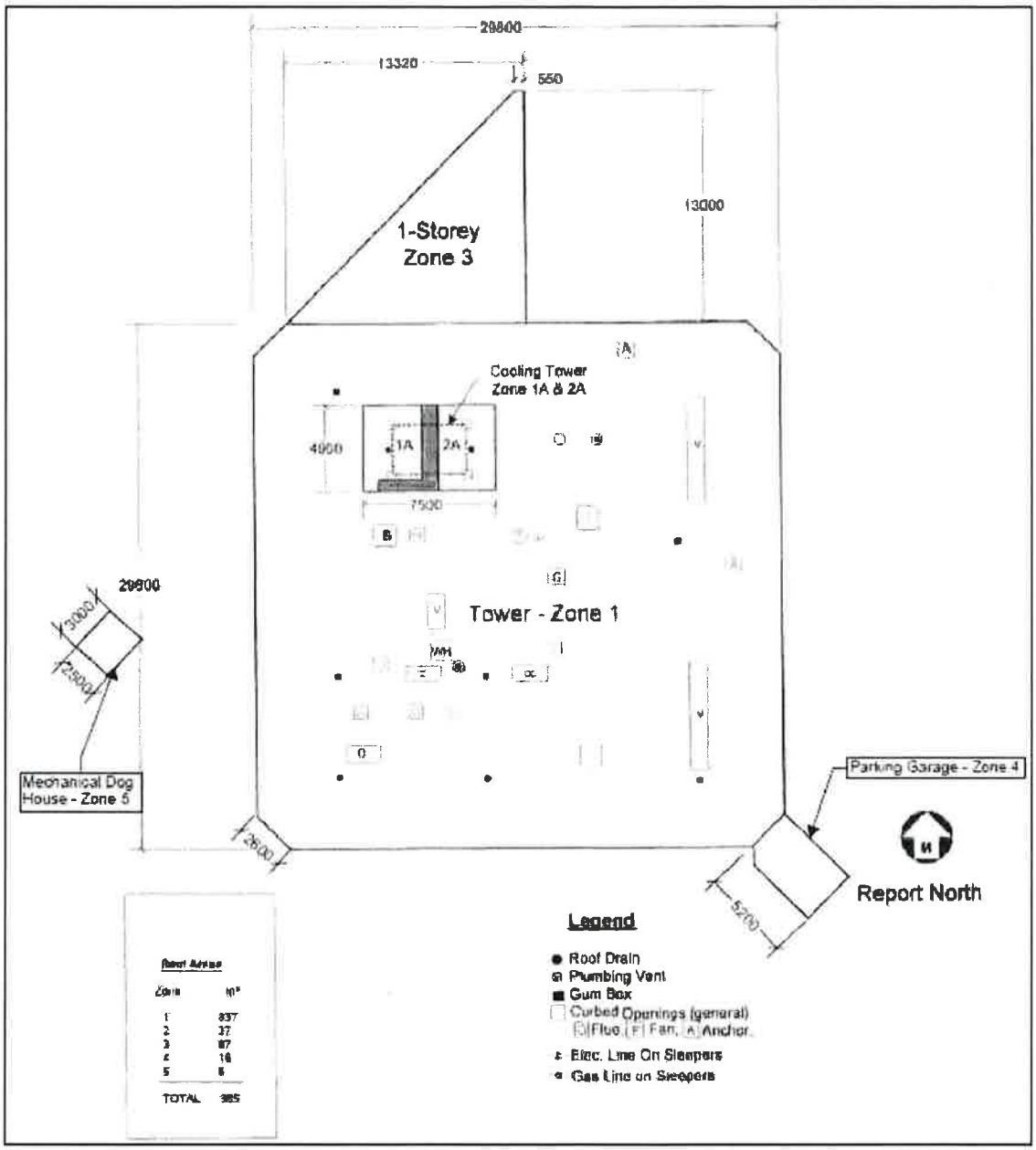
Photo 16: Loose glazing stop on 10th floor level

Photo 17: Shrunk gaskets on typical upper floor window

Photo 18: Stains at bottom corner of typical upper floor window

APPENDIX C

Roofing System Photographs



Compass Place Roof Plan

Photo 1: Overview of main roof (Zone 1)

Photo 2: Overview of main roof (Zone 1)

Photo 3: Overview of skylight on main roof

Photo 4: Overview of Cooling Tower Roof (Zone 2A)

Photo 5: Overview of lower level roof (Zone 3)

Photo 6: Overview of parking garage ramp roof (Zone 4)

Photo 7: Overview of Mechanical Doghouse Roof (Zone 5)

Photo 8: Exposed roof membrane at roof anchor on main tower roof

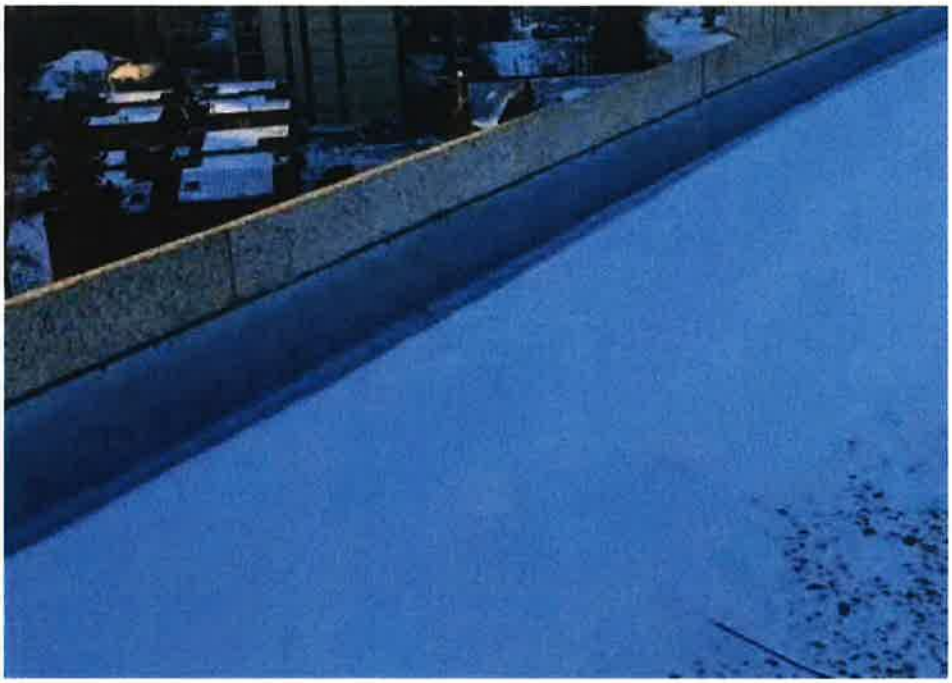


Photo 9: Caulking along top of counter flashing on main tower roof

Photo 10: Close up of caulked joints at typical parapet location

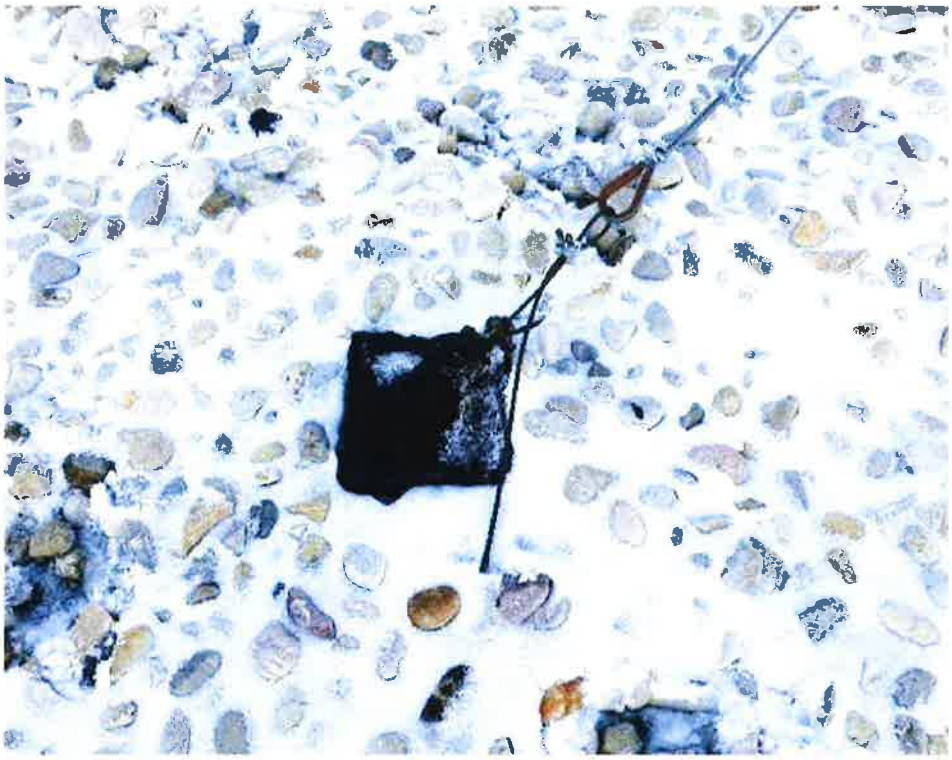


Photo 11: Pitch pocket/gum box with filler material low

Photo 12: Deteriorated roofing near Cooling Tower

Photo 13: Deteriorated roofing below Cooling Tower

Photo 14: Damage at corner of mechanical doghouse roof

APPENDIX D

Mechanical System Photographs

Photo 1: Typical washroom vanity with automatic hands-free sink

Photo 2: Typical automatic flush valve urinal

Photo 3: Typical tank type toilet

Photo 4: Washrooms have exhaust

Photo 5: Typical pneumatic thermostat

Photo 6: Typical perimeter hydronic heating

Photo 7: Natural gas fired, 246 litre (65 gallon), 22.6 L/min (6 gpm) recovery, domestic hot water tank

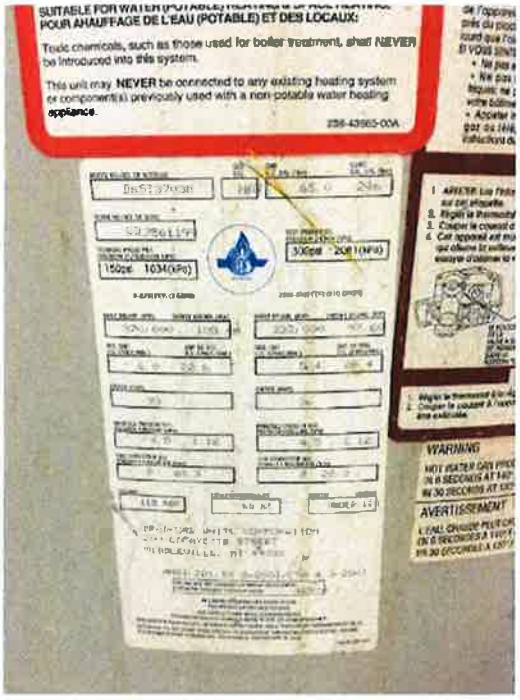


Photo 8: Domestic hot water tank equipment tag, suggests the water heater is 17 years old

Photo 9: Uninsulated domestic hot water piping

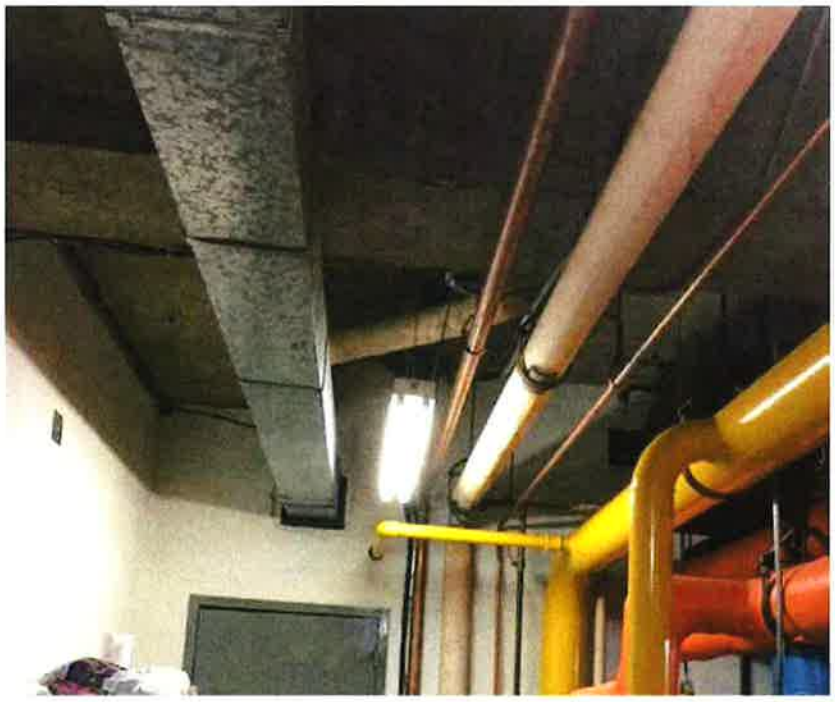


Photo 10: Uninsulated copper domestic hot water piping in ceiling of mechanical room

Photo 11: Fire extinguisher inside mechanical room

Photo 12: Hydronic unit heater in mechanical room

Photo 13: Fire stopping missing at mechanical room wall

Photo 14: RBI natural gas heating boiler

Photo 15: RBI natural gas heating boiler

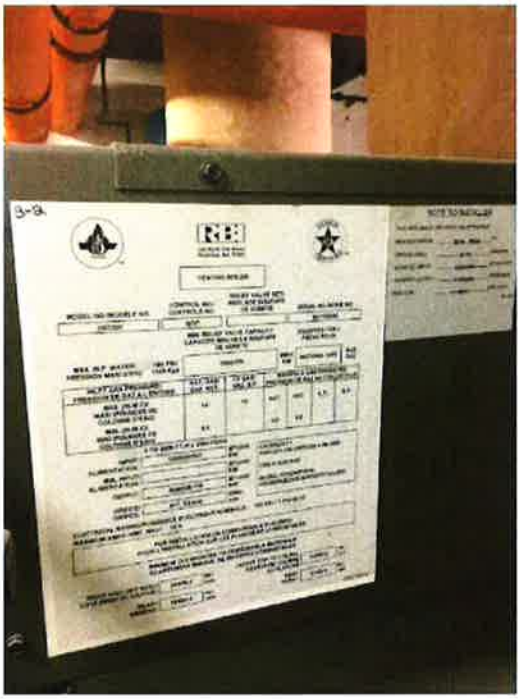


Photo 16: Typical RBI natural gas heating boiler tag, estimated age to be 2008

Photo 17: RBI natural gas heating boiler

Photo 18: RBI natural gas fired heating boiler

Photo 19: Heating system expansion tanks

Photo 20: Fresh air intake into mechanical room, ducted down to floor with opening

Photo 21: Air handler control panel

Photo 22: Digital temperature gauge on heating line

Photo 23: Flow meter on heating line

Photo 24: Lead and lag heating pumps. Lead pump is on VFD controller.

Photo 25: Air handling unit centrifugal fan

Photo 26: AHU fan tag

Photo 27: AHU fan motor serviced in 2016

Photo 28: AHU fan motor tag, 100 hp

Photo 29: 30.6 kW Humidifier 'H2', servicing AHU2

Photo 30: Typical humidifier tag for AHU1&2

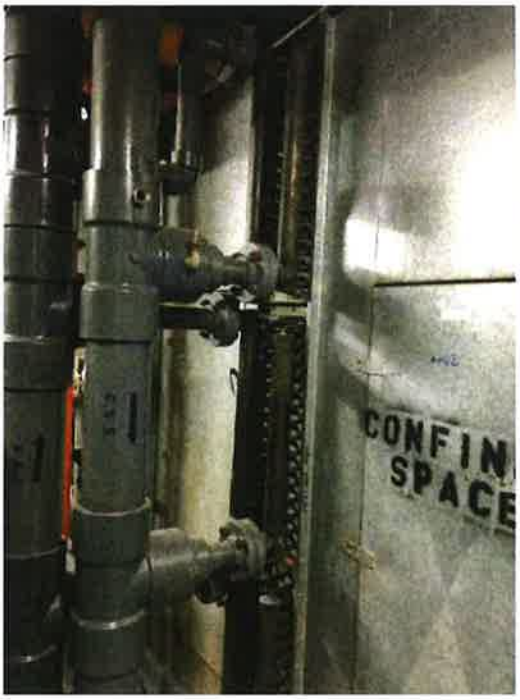


Photo 31: Coiling coil for 'AHU2' South

Photo 32: Heating coil for 'AHU2'

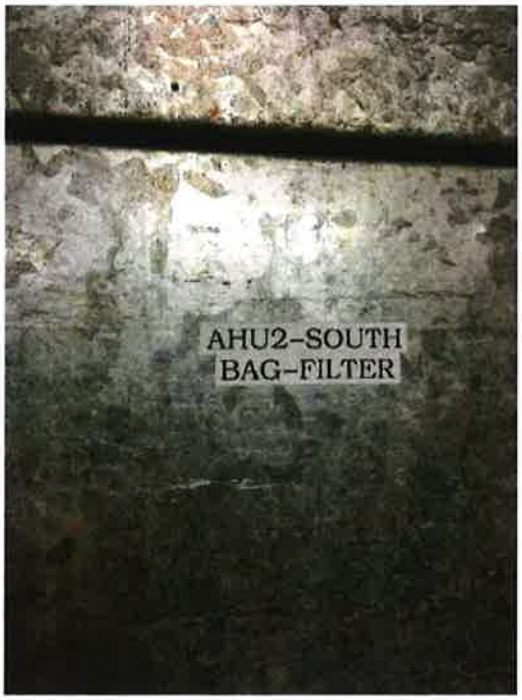


Photo 33: AHU2 has a bag filter

Photo 34: Differential pressure gauge around filter on AHU2

Photo 35: AHU2 has a pre-filter

Photo 36: Honeywell control panel for AHU2 (Control CCT 33, Panel A) Part 1

Photo 37: Honeywell control panel for AHU2 (Control CCT 33, Panel A) Part 2

Photo 38: Return fan VFD

Photo 39: Air compressor and air dryer for pneumatic controls

Photo 40: Air compressor motor

Photo 41: AHU2 heating coil pump

Photo 42: Chilled water piping and insulation (showing mold growth)

Photo 43: AHU1 VFD

Photo 44: AHU2 VFD

Photo 45: Condenser for spit air conditioning system

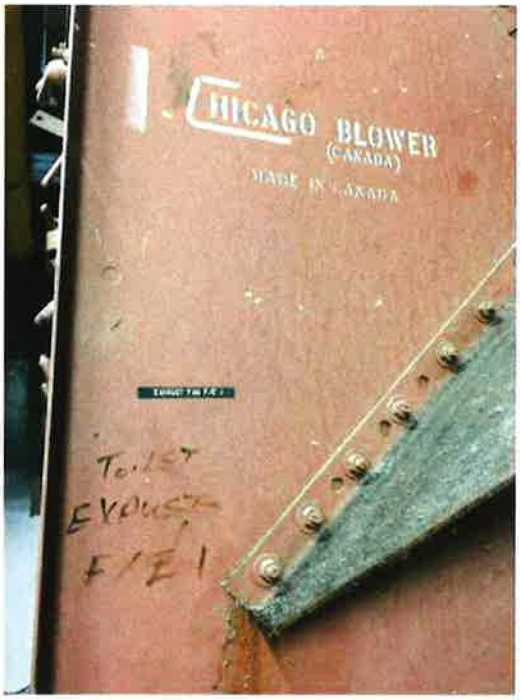


Photo 46: Central exhaust fan for washrooms

Photo 47: Central exhaust fan for washrooms

Photo 48: Chiller

Photo 49: Chiller controls, HFC-134a Refrigerant

Photo 50: Chiller tag

Photo 51: AHU1 hot water and cooling coil

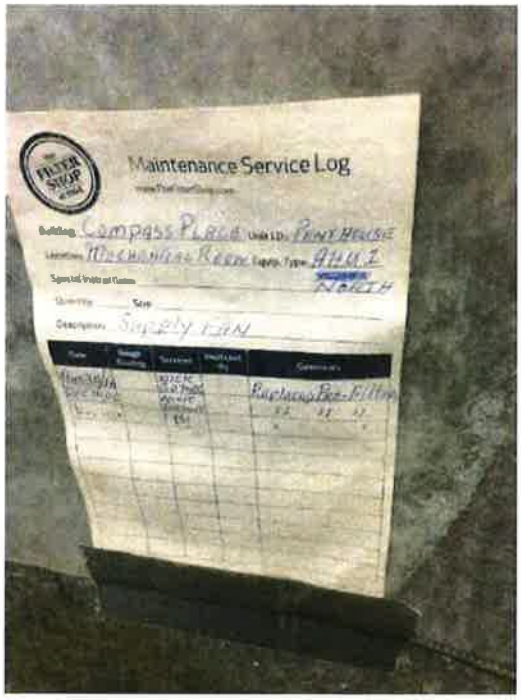


Photo 52: AHU1 supply fan service log

Photo 53: Chilled water pumps

Photo 54: Return fan

Photo 55: Open end of return fan

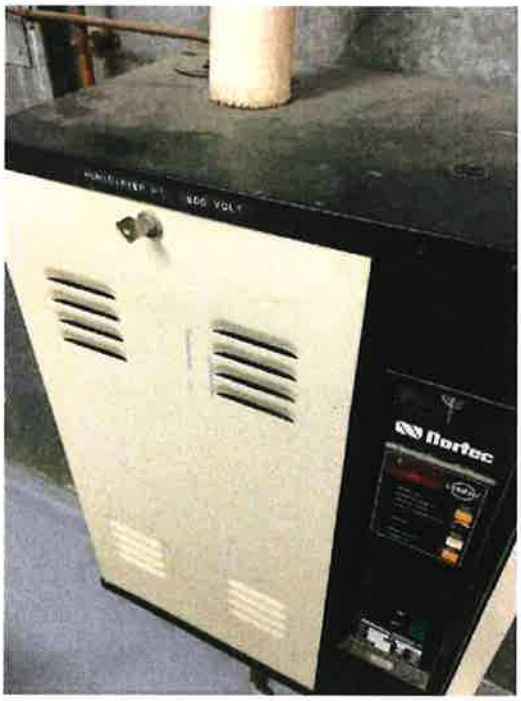


Photo 56: Humidifier 'H1' for AHU1

Photo 57: AHU1 supply fan

Photo 58: AHU1 supply fan motor tag

Photo 59: AHU1 damper, actuator motor is missing, wired into position

Photo 60: Penthouse supply air louvre

Photo 61: Fan adjacent to intake louvre

Photo 62: Cooling tower from below

Photo 63: Cooling tower access ladder

Photo 64: Cooling tower tag

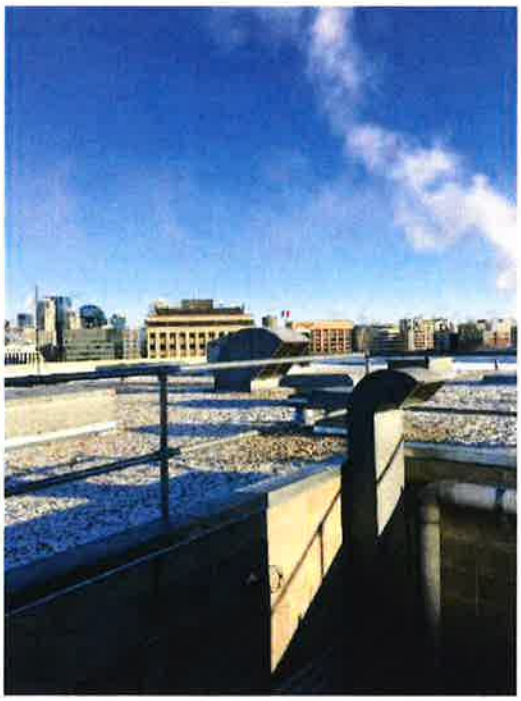


Photo 65: Roof showing exhaust outlet and intake separation near cooling tower well

Photo 66: Air duct smoke detector alarm panel

Photo 67: Intake louvre to mechanical room

Photo 68: Domestic water heater venting

Photo 69: Typical electrical room floor, missing fire stopping

Photo 70: Typical electrical room grille above spiral duct for electrical room ventilation

Photo 71: Perimeter heating

Photo 72: Diffusers

Photo 73: Typical tenant plumbing below sink

Photo 74: Tenant sink

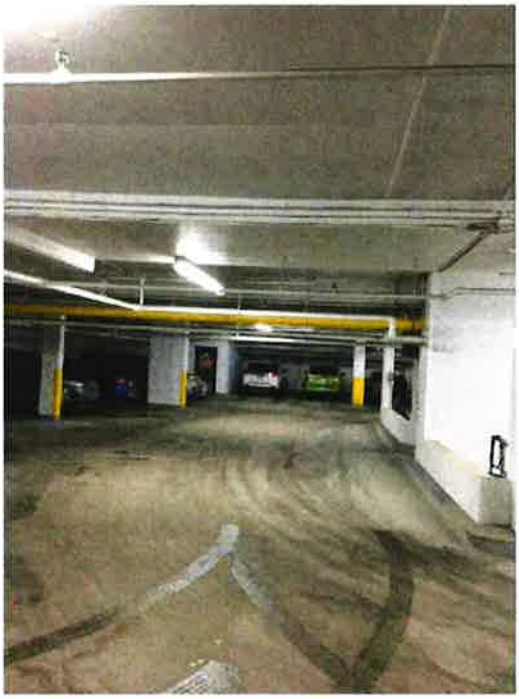
Photo 75: Fire hose cabinet

Photo 76: Tenant sink with an air admittance valve

Photo 77: Typical parkade supply duct work

Photo 78: Condenser located in parkade

Photo 79: Natural gas meter located in parkade



Photos 80 and 81: Parkade plumbing

Photo 82: Parkade exhaust duct work on opposite side from supply. Open ended duct at low level.

Photo 83: Make-up air unit (MAU) for parkade ventilation

Photo 84: MAU noted as 2-speed motor

Photo 85: Hole in side of MAU supply ductwork

Photo 86: MAU duct work, with hole adjacent to ladder

Photo 87: MAU and duct work

Photo 88: Incoming domestic cold water service, flanged pipe shows signs of a previous blockage

Photo 89: Double check valve assembly (DCVA) backflow preventer on domestic cold water service

Photo 90: Primary domestic cold water booster pump

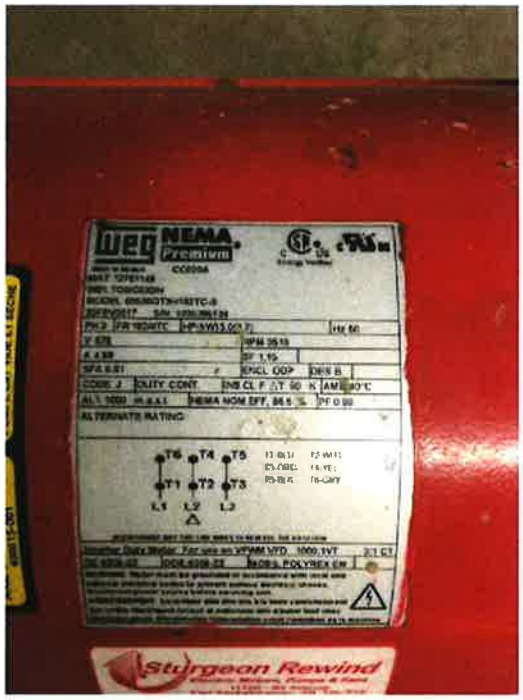


Photo 91: Primary domestic cold water pump motor tag

Photo 92: Domestic cold water booster pump

Photo 93: Secondary domestic cold water pump tag

Photo 94: Secondary domestic cold water pump motor tag

Photo 95: Domestic cold water piping with booster pumps, fire protection DCVA and domestic DCVA in background

Photo 96: Fire protection incoming service

Photo 97: Sprinkler tree, showing supervised valve wires not connected. Valve is chained off.

Photo 98: Fire pump, missing pipe support on right hand side.

Photo 99: Parkade exhaust fan

Photo 100: Parkade exhaust fan air plenum up to first floor roof, showing water damage

Photo 101: Parkade exhaust fan outlet connection to exhaust air plenum showing signs of rust

Photo 102: Air compressor

Photo 103: Glycol pump for parkade ramp snowmelt system

Photo 104: Glycol pump tag

Photo 105: Hot water pump

Photo 106: Expansion tanks parkade water entrance mechanical room

Photo 107: Water entrance, parkade exhaust, sprinkler tree, glycol pumps, and shell and tube heat exchanger

Photo 108: Parkade mechanical room piping

Photo 109: Glycol loop piping

Photo 110: Parkade ramp glycol manifold and slab piping

Photo 111: Sprinklers and fire extinguishers throughout parkade

Photo 112: Parkade gas detector

Photo 113: Gas detector service tag

Photo 114: Parkade sump pump and pit

Photo 115: Parkade gas detector

Photo 116: Drainage piping, cleanout cover not closed properly showing signs of corrosion

Photo 117: Drainage piping, showing fitting in poor condition

Photo 118: Top of stairwell, showing standpipe

Photo 119: Roof - AHU air intake

Photo 120: Roof - boiler flues

Photos 121 and 122: Cooling tower

Photo 123: Roof - termination, not high enough off roof

Photo 124: Parkade MAU outdoor air intake

Photo 125: Gas shut-off outside of building

Photo 126: Exhaust outlets and louvres, backside of building

Photo 127: Fire department connections

Photo 128: Louvre at front of building

Photo 129: Parkade entrance ramp

Photo 130: Trench drain at bottom of entrance ramp

APPENDIX E

Electrical System Photographs

Photo 1 Utility transformer

Photo 2: Incoming Utility 1

Photo 3: Incoming Utility 2

Photo 4: Yearly IR testing certificate 1

Photo 5: Yearly IR testing certificate 2

Photo 6: Incoming Utility 3

Photo 7: Lighting

Photo 8: Emergency battery pack

Photo 9: Lighting 2

Photo 10: Lighting 3

Photo 11: Pictorial exit signage

Photo 12: Lighting 4

Photo 13: Gaseous emergency generator

Photo 14: Emergency distribution

Photo 15: Fire alarm control panel

Photo 16: Fire alarm control panel 6500

Photo 17: Fire alarm control panel annual testing

Photo 18: Fire stopping

APPENDIX F

Elevator Photographs

Photo 1: Geared hoist machines (Passenger 1-3)

Photo 2: Typical controller (Passenger 1-3)

Photo 3: Typical motor-generator (M-G) set (Passenger 1-3)

Photo 4: Typical car top (Passenger 1-3)

Photo 5: Typical hall interlock assembly (Passenger 1-3)

Photo 6: Typical pit area (Passenger 1-3)

Photo 7: Typical cab interior finishes (Passenger 1-3)

Photo 8: Car fixtures (Passenger 1-3)

Photo 9: Ground floor lobby (Passenger 1-3)

Photo 10: Power unit assembly (Parkade 4)

Photo 11: Controller and valve (Parkade 4)

Photo 12: Car top area (Parkade 4)

Photo 13: Hall interlock assembly (Parkade 4)

Photo 14: Pit area (Parkade 4)

Photo 15: Car fixtures (Parkade 4)

Photo 16: Cab interior (Parkade 4)

Photo 17: Ground level lobby entrance (Parkade 4)

Photo 18: Hoist machine (Dumbwaiter 5)

Photo 19: Controller (Dumbwaiter 5)

Photo 20: Car top area (Dumbwaiter 5)

Photo 21: Cab interior (Dumbwaiter 5)

Photo 22: Typical entrance assembly (Dumbwaiter 5)

This is **EXHIBIT "N"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Monthly Report

As of October 31, 2022

Compass Place
Edmonton, Alberta

112 Street NW Edmonton Partners Limited Partnership

Table of Contents

Property Profile

Address	10050 112 Street NW, Edmonton, AB
Property Type	Office
Building Area	85,011 square feet
Property Manager	Kelly Almer kalmer@canderel.com
Property Administrator	Katherine Roy kroy@canderel.com
Current Occupancy	75.92%
Parking	157 underground stalls (42 vacant) 15 Exterior stalls (full)

Executive Summary

Management Commentary

- The Compass building is a nine storey, commercial office building located at 10050 – 112th Street NW.
- General maintenance is performed by Canderel Management (West) Inc's Building Operator Phil Espiloy. The Building Operator has responded in a timely fashion to have all concerns investigated and repaired as quickly as possible. Linda Da Silva handles the part-time day porter responsibilities.
- Bee Clean Building Maintenance handles the nightly janitorial contract.
- The tower elevators continue to be a concern for tenants.

Operating Income Summary

Item	YTD Actual	YTD Budget	Variance
Total Revenue	1,920,010.49	1,897,581.07	22,429.42
Total Recoverable Expenses (incl. tax)	1,048,275.95	1,088,850.40	40,574.45
Total Non-Recoverable Expenses	69,606.56	48,026.00	-21,580.56
Net Operating Income	802,127.98	760,704.67	41,423.31
Net Income (Loss)	-418,263.06	-406,756.19	-11,506.87

Financial Commentary

The Year-to-Date Net Operating Income (NOI) as of October 31, 2022, was $802,127.98 compared to a budget of $760,704.67 or 5.45%. This variance was primarily due to the following main categories:

- Total Revenue was $22,429.42 higher than budgeted. The majority was due to Total Main Source Revenue coming in at $26,570.07 higher than budget.
- Total Utilities: $6,403.34 under budget.
  - Electricity was under budget by $16,916.25. However, natural gas costs were $9,348.91 over budget.
- Total Building R&M: $4,677.13 over budget.
  - Most of this amount was due to unscheduled, essential HVAC repair issues.
- Total Site Maintenance: $9,978.19 under budget
  - Most of this amount is due to some parkade work that has been put on hold due to cash flow challenges. These items will be reviewed next month or pushed into 2023.

Capital Projects

There are no capital projects planned for the balance of 2022.

Financial Summary

Net Income (Loss)

- As of October 31, 2022, the YTD NOI was ($418,263.06) compared to the budget of ($406,756.19) or 2.83%.
- Further details provided below.

Total Revenue

As of October 31, 2022, revenues were $1,920,010.49 compared to the budget of $1,897,581.07 or 1.18%. Some key highlights are:

- Maximum Potential Income was $54,946.40 higher than budgeted.
- Vacancy & collection loss was overbudget by $40,090.17.
- Free rent has a surplus of $11,713.84.
- Parking rent continues to be in a deficit position of $3,593.13. However, October parking rent was on budget.

Recoverable Operating Expenses

As of October 31, 2022, recoverable expenses were $1,048,275.95 compared to the budget of $1,088,850.40 or 3.73%. Some key highlights are:

- Janitorial expenses are currently $5,718.94 under budget due to cancelling the summer window cleaning. Fall window cleaning did occur.
- Total Building R&M is currently over budget by $4,677.13. HVAC repairs were $17,931.29 over budget as various repairs were needed to the boilers, valves & seals, and expansion tanks. Lower roof expenses helped offset this overage.
- Site Maintenance expenses are under budget by $9,978.19 mostly due to postponing some parking lot projects. These will be reassessed closer to year end or possibly pushed into 2023.
- Total Administration costs are $26,507.54 under budget due to changes in the Building Operator expenses.

Landlord Expenses (Nonrecoverable)

As of October 31, 2022, total Nonrecoverable expenses were $64,282.27 compared to the budget of $42,026.00 or (52.96%) primarily due to:

- Professional Fees: $21,729.77 over budget. These are related to monthly Head Office chargeback invoices that are coded to the GL account.

Leasing

Transactions Completed Year to Date

January 1, 2022 – December 31, 2022

Tenant/Location	Deal Type	Square Feet	Term	Commencement
Get Up and Go Ventures Inc. o/a Red Seal Financial	New Lease	1,284	2 years	March 1, 2022
Laurence Zalmanowitz Psychology Ltd	Renewal	880	5 years	May 1, 2022
UofA Properties Trust	New Lease	2,400	5 years	August 1, 2022
IDP Education	Renewal	1,709	5 years	July 1, 2022
Total SF to Date		**6,273**		

Prospective Tenants

Prospect	Area (sf)	Closing Probability (0-10) (10 = High)	Explanation
[redacted]	1,200	7	Conditional. Working through pricing and due diligence.
[redacted]	1,300	6	Toured and presented terms. Awaiting feedback.
[redacted]	3,000	3	Toured. Still waiting direction.
[redacted]	TBD	2	Tenant looking to expand in 2023.
[redacted]	2,500	2	Presented Ian Martin Space. Pushing for tour.
[redacted]	2,000	2	Presented. Like building but waiting for contact to come to town.

Occupancy

Vacancy

Unit/Suite	Area	Vacant Since
105	287	April 30, 2021, formerly Chung Yoon Cho o/a J's Smoke Shop
204	1,021	July 31, 2022, formerly Accessible Media
206	1,274	May 31, 2022, formerly Humanacare
208	933	April 14, 2021, formerly Tytec General Partnership
500	5,580	August 31, 2021, formerly Canderel Management West Inc.
702	2,429	November 30, 2021 – formerly Harpar Investments Ltd.
800	4,252	May 31, 2022, formerly Legal Resources Centre of Alberta
900	1,686	May 31, 2021, formerly Ironwood Management Ltd.
904	3,024	August 24, 2020, formerly RGN (Regus)
	20,486 (24.08%)	

Lease Expiries

2022

Tenant	Unit	Area/Expiry	Broker	Explanation
The Nature Conservancy of Canada	106	1,299 / December 31, 2022		Tenant is not renewing at the end of their term.
Tytec General Partnership	608	2,501/ Month-to-month		
2052196 Alberta Ltd. o/a Knisely Law	700	1,868 / September 30, 2022		Tenant has exercised their option for a further 5 years.

2023

Tenant	Location	Area	Expiry
Schaefer Dental Laboratories Ltd.	100	922	February 28, 2023
Victor A. Spicer Professional Corporation	102	1,844	January 31, 2023
R. Brothers Inc.	104	1,135	January 31, 2023
J.G. Magathan Professional Corporation	107	2,056	April 30, 2023
CBI Home Health (AB) Limited Partnership by its general partner AETAS Health Care (GP) Inc.	400	6,215	April 30, 2023
Community of Grace Church	602	1,254	October 31, 2023
2083588 Alberta Ltd. o/a Greenspan Psychology	804	735	March 31, 2023 *Working on a new renewal agreement to move to the 7th floor.*
Correct AI Inc	1001	3,000	April 30, 2023

2024

Tenant	Location	Area	Expiry
Red Seal Financial	201	1,284	February 29, 2024
Crown Dental Lab Ltd.	401	2,817	July 31, 2024
Integral Group Consulting (BC) LLP	701	1,823	October 31, 2024
FPS Networks Inc. and/or Addicting Games Inc.	801	1,488	January 31, 2024

Building Maintenance

Mechanical

In addition to the elevator concerns, the main priority at this time of year is the mechanical room dampers. These dampers are failing and resulted in a near freeze up last winter. A temporary solution was put in place, but a permanent fix is required before winter arrives. The cost to repair these large dampers is around $26,000. Waiting on Landlord approval to proceed. **October 2022 Update**: Landlord approval was provided to make this repair. Numerous other mechanical issues occurred in October. Repairs were needed to leaking boilers, failed valves and expansion tanks just to name a few of the items.

Parkade

RJC Engineers have been contracted to update the 2019 Parking Structure Assessment Report. This report will review past condition assessments and restoration programs completed, visual survey of entire structure, chain drag and hammer testing, review drainage systems and provide a written report on finding and recommendations. **October 2022 Update:** The engineer has not yet started this report. PM has followed up to get an update on when this work will begin.

Elevators

Modernization has been tabled for next year. Due to the increase in service calls this should be completed as soon as reasonably possible. Solucore completed an inspection on November 30, 2020. The 2022 capital budget has $30,000 allocated for consultant soft costs. This has yet to be completed. **October 2022 Update:** As this report was just recently done and due to cash flow challenges, this work has been cancelled and will be reconsidered for 2023.

Tenant Report

The Nature Conservancy of Canada have already vacated their space. Their lease expires December 31, 2022. PM met with Tetz Management Services to clarify their rent charges. The tenant had some questions as their documentation showed a different rent amount. After reviewing the current lease documents and certified measurements, the tenant is now in agreement on their current rent charges. PM working to have their name added to the side of the building as per their lease. The tenant needed to confirm the official name they wanted displayed.

Litigation/Tenant Disputes

To the best of our knowledge, there is no litigation or tenant disputes at this time.

Aged Delinquencies Summary

Tenant	Comment – updated Nov.10	Amount
[redacted]	Prior Year Recoveries	-41.45
[redacted]	Former staff member refund of partial parking fees.	-65.04
[redacted]	Tenant chargeback (cleaning).	411.76
[redacted]	Prior Year Recoveries	-150.59
[redacted]	Prior Year Recoveries	-70.66
[redacted]	Prior Year Recoveries	385.37
[redacted]	Prior Year Recoveries	-38.04
[redacted]	Security Deposit	-5,895.79
[redacted]	Prior Year Recoveries	685.2
[redacted]	Outstanding parking charges. *(Tenant is now on EFT, and arrears were cleared Nov.10)*	1,185.4
[redacted]	Prior Year Recoveries	-29.92
[redacted]	Prior Year Recoveries	263.40
Total		**-$3,359.36**

This is **EXHIBIT "O"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

ADDENDA
CAPITAL

February 2, 2023

VIA EMAIL: pete@canadaicivancouver.com
jim@canadaicivancouver.com

112 Street NW Edmonton GP Inc
C/O Canada ICI Vancouver
1120-1040 West Georgia Street
Vancouver, BC V6E 4H1

Attention: Pete Morrish and Jim Leitch

Dear Sirs,

Re: Mortgage No.: **0101606**
Mortgagor: 112 Street NW Edmonton GP Inc
Property: Compass Place - 10050 - 112 Street NW, Edmonton, AB T5K 2J1

The above mortgage will mature on March 1, 2023 with an outstanding principal balance of $12,726,264.95 (after application of the installment due on March 1, 2023). We have reviewed your file and are pleased to offer you a renewal subject to the terms and conditions outlined below:

1) Loan Amount: $12,726,264.95

2) Borrower: 112 Street NW Edmonton GP Inc.

Beneficial Owner: 112 Street NW Edmonton L.P.

3) Guarantors: As defined in Commitment Letter

4) Financial Terms:

Term: 36 months (3 years)

Amortization: N/A

Adjustable Interest Rate:

For registration purposes only, the mortgage shall state an interest rate of the sum of the Royal Bank of Canada Prime Lending Rate plus 10% (1,000 basis points) in effect on March 1, 2023, calculated and compounded monthly (30/360 day count).

Notwithstanding the foregoing or any other provisions of this Commitment or the other security, the actual interest rate and payment terms applicable to the loan during the term shall be the sum of the Royal Bank of Canada Prime Lending Rate plus 1.50% (150 basis points) in effect on March 1, 2023,

calculated and compounded monthly (30/360 day count), but in any event not less than 8.20%. The effective rate will be adjusted on the 1st payment date after a Prime Lending Rate change.

Estimated Interest Only Payment: $86,962.81, but subject to change with changes in Prime Rate.

Maturity Date: March 1, 2026

Prepayment: Closed

5) The new Interest Only payment will commence on April 1, 2023 and will remain in effect for the full term of the loan. On the maturity date, the balance of the remaining unpaid principal, interest and any other outstanding charges will become due and payable.

6) As per the Commitment Letter, the Borrower authorizes, and shall, if required by the Lender, cause each Additional Guarantor to authorize, the Lender to obtain such financial information as the Lender may require. If the Borrower does not provide information as noted and more than one reminder letter is required, an administration fee will be due and owing.

7) A renewal and extension agreement must be executed by the borrower; otherwise, the terms of this renewal may be cancelled, at our option. All legal fees and disbursements will be the borrower's responsibility.

8) Please refer to and complete Schedule "B" Solicitors.

9) Please refer to and complete Schedule "C" Addenda Capital Loan Information Form.

10) An offer to renew your mortgage is subject to the following:
    - Renewal Fee $60,000.00
    - Detailed Rent Roll as at December 31, 2022
    - Property Operating Statements (including actual) as at December 31, 2022
    - Within the Canderel lease, remove the "Tenant's Right to Terminate Lease"
    - Quarterly updates on leasing (both potential and signed offers to lease)
    - Repairs and upgrades completed within the three year period with full reporting throughout the process.

11) The Borrower will be responsible for an annual insurance review cost of $720.00 (one-time cost for the term). Sufficient funds to cover the annual insurance review will be due with return of this fully executed letter (see signature page for direct debit payment option). The Lender's insurance consultant will perform the annual reviews of the insurance policies.

12) If on the Maturity Date (i) the Loan Amount (including all obligations of the Borrower under the Mortgage, all other Security Documents and this Commitment) is not repaid in full; or (ii) the Borrower has not by or before maturity expressly agreed in writing to accept a written offer of

renewal made by the Lender (without any obligation of the Lender to make such an offer of renewal), then the loan shall be deemed to be automatically renewed by agreement between the parties for a term of three (3) months commencing on the maturity date at an interest rate equal to Royal Bank of Canada Prime Rate (as hereinafter defined) plus 6% per annum, and shall be fully open for repayment by the Borrower without penalty or bonus. For the purposes of this paragraph, "Royal Bank of Canada Prime Rate" means the annual rate of interest announced from time to time by Royal Bank of Canada during the period when interest based upon the Prime Rate accrues hereunder, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

13) By your acceptance hereof, it is mutually agreed and acknowledged that for the purposes of the Canada Interest Act, the date of the subject mortgage as extended, shall be deemed to be March 1, 2023. You agree that this mortgage renewal does not constitute a novation of the existing mortgage, or the creation of a new mortgage, but shall constitute an extension of the original mortgage for the renewed term of this loan.

14) All other terms and conditions of the original mortgage and commitment, not in conflict with these terms, will remain unchanged and in full force and effect.

15) Addenda Capital is to receive acknowledgement from the Borrower as to the acceptability of the terms of this offer not later than **2:00 P.M. EST, February 9, 2023; via email.**

16) Addenda Capital is to receive a renewal fee of $60,000.00, an insurance review fee of $720.00 along with the executed renewal agreement and the other available items listed in clause 10.
For payment option, please see below on Acceptance page.

Please sign and return one copy of this complete agreement by the date and time indicated in paragraph 15. Acceptance after this cut-off will not be accepted and a new Renewal Offer will be required. Should you have any questions regarding this renewal, please contact the writer by email m.angielski@addendacapital.com or by telephone at (306) 994-6564.

Sincerely yours,

ADDENDA CAPITAL INC.
Regina Office

Miles Angielski, CFA
Vice-President, Commercial Mortgages

(acceptance on next page)

ACCEPTANCE (please complete)

We agree to a renewal based on the above terms and conditions, this ___ day of February, 2023.

BORROWER:

112 Street NW Edmonton GP Inc.

Per: _____

Per: _____

BENEFICIAL OWNER:

112 Street NW Edmonton L.P.

Per: _____

Per: _____

GUARANTOR(S):

Canderel Enterprises Inc.

Per: _____

Per: _____

I (we) authorize Addenda Capital to debit my (our) bank account on record for the one-time only amount of $60,720.00, representing the renewal fee and insurance review as indicated above.

_____ _____

Signature and Print Date

SCHEDULE A

HAZARDOUS SUBSTANCES FOR RENEWAL OFFER

The loan documents shall provide, and the Mortgagor hereby represents, warrants, covenants and agrees that:

a) to the best of the knowledge of the Mortgagor after due and diligent inquiry, there are no Hazardous Substances on the lands, no Hazardous Substances are or have ever been used, stored or located in or upon the Project and no part of the property are or have ever been contaminated by any Hazardous Substances;

b) no Hazardous Substance shall be brought onto or used on the property without the prior written consent of Addenda Capital Limited.

c) any Hazardous Substance brought into or upon the Project or used by any person in or upon the property shall be transported, used and stored only in accordance with all applicable laws, regulations, by-laws and other lawful requirements, prudent industrial standards and any other requirements of Addenda Capital Limited.

d) the property will not be used for the purpose of storing or using any Hazardous Substance and no use of the property will be allowed which may cause or increase the likelihood of the escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the property or permit any policy of insurance in respect of the property to be cancelled; and

e) the Mortgagor shall promptly notify Addenda Capital Limited as soon as it knows of or suspects that any Hazardous Substance has been brought onto the property or that there is any active, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from or under the property.

SCHEDULE B

SOLICITORS

Grant Vogel at Dentons Canada LLP shall be used to draw the security documentation and any other documents related to this transaction and to disburse advances. All investigations and registrations shall be to the satisfaction of us and our solicitors prior to each advance. All legal costs of our solicitors related to this transaction shall be payable by you and may be deducted from the loan proceeds and shall be paid by you directly to our solicitors in the event this transaction does not proceed to an initial funding under the mortgage.

The Borrower and Guarantors shall execute such documents, including the mortgage and other security agreements required to be executed by them, in form and to contain provisions protecting the Lender's rights as our solicitors shall require. Notwithstanding the generality of the foregoing, our solicitors shall be furnished with any affidavits, financial statements, tenant estoppel certificates, acknowledgements, directions, and other information relating to the mortgaged Property (or income thereof), including corporate opinions of the solicitor for the Borrower indicating full compliance with all the representations and conditions as provided herein as either the Lender or its solicitors shall request.

Please complete:

Borrower's Solicitor:

Name: _____

Firm: _____

Phone No: _____Email_____

SCHEDULE C

ADDENDA CAPITAL LOAN INFORMATION FORM - FOR RENEWAL OFFER

A. Borrower:

Has the corporate structure and/or any information changed since loan origination or the last renewal? ❑ Yes ❑ No

If yes, please complete Section A, and if necessary, Section B and C.
If no, please proceed to Section D.

Borrower Name: _____

Principal Business Address: _____

_____

Principal Contact Name and Title: _____

Email Address: _____

Phone Number: (____) _____

Accounting Dept. Contact Name and Title: _____

Email Address: _____

Phone Number: (____) _____

Borrower Entity Type:

❑ Corporation	❑ General Partnership
❑ Nominee (i.e. Bare Trust)	❑ Limited Partnership
❑ Trust	❑ Not-for-Profit
❑ Individual	❑ Other_____

Province of organization: _____

If Borrower is a Nominee, who is the Beneficial Owner(s)? _____

List of all individuals that have a 25% or more interest* in the Borrower:

Name	Address	Occupation	% Interest

*Interest is defined as direct or indirect ownership of the Borrower through any entity or combination of entities.

Please attach a current diagram of the Ownership Structure (Org Chart)

If the Borrower is a **Trust**, what is the type of Trust: ❑Discretionary ❑Non-discretionary

If the Trust is Non-discretionary, please list below the following:

Trustee(s)

Name	Home Address

Trust Settlor(s)

Name	Home Address

Trust Beneficiary(ies) please do not disclose the names of any minors

Name	Home Address

If the Borrower is a **Not-for-Profit**, is the entity a registered charity with Canada Revenue Agency? ❑ No ❑ Yes

If Yes, please provide the CRA Registration # _____

B. Secondary Financing (if changed or added)

Has any other debt, liens or charges been registered against the property or other security since origination of this loan? ❑ No ❑ Yes

Amount of additional debt, liens or charges: $_____

Sources: _____ (attach supporting documentation)

C. Property Manager (if changed)

Is the property self-managed? Yes_____ No_____

Management Co: _____

Address:_____

Phone Number: (____) _____Email: _____

D. Politically Exposed Persons (PEP) or Head of an International Organization (HIO)

Do you, your spouse, common-law partner, child, mother, father, brother, sister, half-brother, half-sister, spouse's or common-law partner's father or mother, close association for personal or business reasons, hold or has held an office or a position as a: a) head of state or head of government; b) member of the executive council of government or member of legislature; c) deputy minister or equivalent rank; d) ambassador or ambassador attaché or counselor; e) military general (or higher rank); f) president of a state-owned company or bank; g) head of a government agency; h) judge; i) leader or president of a political party represented in a legislature; j) mayor; or k) HIO?

❑ No ❑ Yes, the account opening is conditional on Addenda Capital's authorization.

E. Judgments, Liens or Lawsuits

Are there any judgments, liens or lawsuits outstanding or pending against the Borrower, the beneficial owner if different from the Borrower, any Additional Covenantor or any of their principals or affiliates or has there been any adverse judgment issued against any of the foregoing within the last 3 years?

❑ No ❑ Yes (If yes, please describe and attach supporting documentation).

_____

F. Bankruptcy

Have any bankruptcies been filed by or against the Borrower, the Property, the beneficial owner if different from the Borrower, any Additional Covenantor or any of their principals or affiliates?

❑ No ❑ Yes (If yes, please describe and attach supporting documentation).

_____

Personal Information Legislation - CLIENT CONSENT

Client Consent in accordance with the *Personal information protection* Act

The client confirms having read the following text "Personal Information Legislation - Client Consent" and agrees to abide by it: I hereby consent that Addenda Capital Inc. (hereby known as "Addenda") collects and records from any entity or person the required information pertaining to this document. I may request from Addenda to provide me with the information collected in order to make the appropriate modifications, if any, as well as obtain a copy of the information collected for a reasonable cost. I hereby consent that any entity or person can provide Addenda with any requested information. I hereby consent that Addenda may transmit the information to any entity or any person affected by this document, to any entity or any person providing services to Addenda in relation to this document, as well as to any entity or any person as required by law. These consent agreements are also applicable for information previously included in any closed or inactive files. The also apply to the modification, extension or renewal of any duties or obligations resulting from this document. I hereby consent that Addenda collects and utilizes as prescribed by applicable laws, the personal information concerning me for its own purposes and for the purposes on any other firm associated with Addenda in order to provide me with reports, financial analyses, recommendations and general information on products and financial services that may be useful to me.

Declaration

By signing this Information Form, the undersigned certifies that the information provided herein is true and complete.

BORROWER:

Name (print): _____ Title: _____

Signature: _____ Date: _____

SCHEDULE D

As part of Addenda's commitment to sustainable investing, and in an effort to enhance our portfolio analytics, we wish to determine which loans/borrowers meet specific criteria relating to underrepresented groups.

We are respectfully requesting your assistance to voluntarily self-identify using the table below. The information provided will be aggregated and used for analytical purposes, e.g. determine the percentage and value of such loans in our various portfolios. [1]

If you choose to provide us with this information, would you kindly complete the form below.

Self-Identification Question

Is the Borrowing entity majority owned or controlled by a:

(select all that apply):

☐ *I prefer not to answer*

Woman	Indigenous: -First Nations - Metis and/or -Inuit	Visible Minority	LGBTQS+	Person with a Disability	Member of another underrepresented group	If another, please specify:
☐	☐	☐	☐	☐	☐	_____ _____ _____ _____ _____

[1] Your personal information is kept confidential and secure, and it is not disclosed to any other party without your consent, unless required by law.

This is **EXHIBIT "P"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
In and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Gorrie, Jennifer

From: Bryce Margetts <BMargetts@canderel.com>
Sent: March 31, 2023 1:48 PM
To: Miles Angielski
Cc: Ben Rogowski; Andrejs Mistiouk; Brett Miller; Jonathan Wener; Savvas Pallaris; Adam Kot; Ardi Pradana
Subject: RE: Addenda 0101606 - 112 St NW Edmonton Partners - Compass Place - Renewal Offer

Hi Miles,

Further to your note below, please be advised that our respective partnership 112 St NW Edmonton Partners LP have voted to not accept your renewal offer dated Feb 2, 2023.

There are some operational decisions that need to be made particularly with active leasing files under contract and I'd be happy to bring you up to speed when you're ready.

We intend to cooperate and act reasonably with any operational transitions as we move forward from here.

Please let me know if you have any questions.

Regards, Bryce

Canderel

Bryce Margetts
Senior Vice-President, Investment & Development, Western Canada

Canderel
bmargetts@canderel.com
T +1 604-639-5987, ext. 7201
D +1 604 639-5988
C +1 604 808-6506

From: Miles Angielski <m.angielski@addendacapital.com>
Sent: March 22, 2023 3:26 PM
To: Bryce Margetts <BMargetts@canderel.com>
Cc: Ben Rogowski <BRogowski@canderel.com>; David Hawrysh <DHawrysh@canderel.com>; Andrejs Mistiouk <amistiouk@canderel.com>; Brett Miller <bmiller@canderel.com>; Jonathan Wener <wenerj@canderel.com>; Savvas Pallaris <s.pallaris@addendacapital.com>; Adam Kot <a.kot@addendacapital.com>; Ardi Pradana <a.pradana@addendacapital.com>
Subject: RE: Addenda 0101606 - 112 St NW Edmonton Partners - Compass Place - Renewal Offer

Hi Bryce,

We have discussed this matter with our Credit Committee today and their recommendation is to proceed based on the conditions outlined in our original Renewal Offer Letter dated February 2, 2023.

Please execute and return the Renewal Offer Letter to my attention by no later than noon EST on March 31, 2023. Failure to do so will result in Addenda taking the necessary steps to protect its security without any further notice to you.

We look forward to receipt of the executed Letter, but please let me know if you do have any questions.

Thank you,
Miles

ADDENDA CAPITAL

Miles Angielski, CFA
Vice-President, Commercial Mortgages

m.angielski@addendacapital.com
T. 306-994-6564

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

From: Bryce Margetts <BMargetts@canderel.com>
Sent: Tuesday, February 14, 2023 4:45 PM
To: Miles Angielski <m.angielski@addendacapital.com>; Pete Morrish <pete@canadaicivancouver.com>; Jim Leitch <jim@canadaicivancouver.com>
Cc: Ben Rogowski <BRogowski@canderel.com>; David Hawrysh <DHawrysh@canderel.com>; Andrejs Mistiouk <amistiouk@canderel.com>; Brett Miller <bmiller@canderel.com>; Jonathan Wener <wenerj@canderel.com>
Subject: RE: Addenda 0101606 - 112 St NW Edmonton Partners - Compass Place - Renewal Offer

You don't often get email from bmargetts@canderel.com. Learn why this is important

Dear Miles,

Thank you very much for the renewal offer regarding the existing mortgage on Compass Place. We want to reiterate our commitment to Addenda to work through these challenging times together.

Please find attached Canderel's response to your letter in clean and blackline forms. We remain open to direct dialogue on the terms of this renewal should you wish to do so.

Best Regards, Bryce

Canderel

Bryce Margetts
Senior Vice-President,Investment & Development, Western Canada

Canderel
bmargetts@canderel.com
T +1 604-639-5987, ext. 7201
D +1 604 639-5988
C +1 604 808-6506

From: Pete Morrish <pete@canadaicivancouver.com>
Sent: February 2023 1:08 PM
To: Bryce Margetts <BMargetts@canderel.com>

Cc: Jim Leitch <jim@canadaicivancouver.com>
Subject: Fwd: Addenda 0101606 - 112 St NW Edmonton Partners - Compass Place - Renewal Offer

Hi Bryce, please see attached the renewal offer from Addenda.

PETE MORRISH

CANADA ICI VANCOUVER
Suite 1120-1040 West Georgia Street
Vancouver, BC V6E 4H1
Tel. 604-641-2701
Cel. 604-649-5867

Begin forwarded message:

> **From:** Miles Angielski <m.angielski@addendacapital.com>
> **Date:** February 2023 at 12:16:58 PM PST
> **To:** Pete Morrish <pete@canadaicivancouver.com>
> **Cc:** Jim Leitch <jim@canadaicivancouver.com>, Levi Lawrence <l.lawrence@addendacapital.com>, Ardi Pradana <a.pradana@addendacapital.com>
> **Subject: Addenda 0101606 - 112 St NW Edmonton Partners - Compass Place - Renewal Offer**
>
> Hi Pete,
>
> Please find attached the Renewal Offer Letter for the above mortgage.
>
> Please review and advise if there are any changes.
>
> If not, please forward to the Borrower for signing and collection of outstanding items.
>
> Thanks,
> Miles

Miles Angielski, CFA
Vice-President, Commercial Mortgages

m.angielski@addendacapital.com
T. 306-994-6564

1874 Scarth Street, Suite 1900, Regina (SK) S4P 4B3
addendacapital.com

This is **EXHIBIT "Q"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMIN KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Jack R. Maslen
T 403-232-9790
F 403-266-1395
jmaslen@blg.com
File No: 292493.83

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

DELIVERED BY REGISTERED MAIL AND EMAIL (bmargetts@canderel.com)

April 10, 2023

112 STREET NW EDMONTON PARTNERS LP, by its general partner, 112 STREET NW EDMONTON PARTNERS GP INC.
1100, 225 – 6th Avenue, SW, Brookfield Place
Calgary, Alberta, T2P 1N2

112 STREET NW EDMONTON PARTNERS GP INC.
1100, 225 – 6th Avenue, SW, Brookfield Place
Calgary, Alberta, T2P 1N2

CANDEREL MANAGEMENT INC.
900 – 2000 Peel Street
Montreal, QC H2A 2W5
Attention: Joelle Sebag

LAWSON LUNDELL LLP
925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: Peter Tolensky

CANDEREL PACIFIC INVESTMENTS INC.
1590 – 505 Burrard Street
Vancouver, BC V7X 1M5
Attention: Bryce Margetts

Dear Sirs/Mesdames:

Re: Loan by Addenda Capital Inc. ("Addenda") to 112 Street NW Edmonton Partners Limited Partnership, by its general partner, 112 Street NW Edmonton Partners GP Inc. (collectively or individually, the "Borrower") (the "Loan")

Mortgage dated January 31, 2018 regarding the lands set out in the Schedule "A" attached hereto (the "Lands"), as renewed (the "Mortgage")

We are counsel to Addenda with respect to the Loan and related security, which includes the Mortgage as well as the following collateral security (the "**Security**") among other things:

a) a General Assignment of Rents and Leases, dated January 31, 2018;

b) a Specific Assignment of Leases, dated January 31, 2018;

c) a Security Agreement, dated January 31, 2018;

d) an Environmental Indemnity, dated January 31, 2018;

e) a Guarantee of Mortgage granted by Canderel Enterprises Inc., dated January 31, 2018;

f) a Beneficial Owner's Agreement, dated January 31, 2018;

g) an Indemnity Agreement, dated January 31, 2018; and

h) an Assignment of Insurance, dated January 31, 2018.

The Borrower is in default of the Loan, Mortgage, and Security by, among other things, failing to make payments when due and owing. In particular, the Mortgage has matured and the Borrower has failed to pay such amounts due and owing.

Accordingly, we hereby demand, on behalf of Addenda, payment of the entire amount outstanding pursuant to the Loan and Mortgage, being **$12,783,728.48** as at April 10, 2023, **plus per diem interest in the amount of $1,434.51 and costs continuing to accrue thereon**.

If the aforesaid sum, together with additional accrued interest and costs, is not provided to our office by way of cash, certified cheque or money order within ten (10) days of the date of this correspondence, Addenda will proceed with any and all remedies available to it to collect the said amount from the Borrower including foreclosure and sale of the assets securing this indebtedness.

We also enclose a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada), which is provided to you. If the Borrower consents to Addenda taking earlier enforcement, please return the enclosed consent to the undersigned.

Kindly govern yourselves accordingly.

Yours truly,

BORDEN LADNER GERVAIS LLP

JACK R. MASLEN

cc. Client

Enclosure

SCHEDULE "A"

FIRSTLY :

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

BANKRUPTCY AND INSOLVENCY ACT

NOTICE OF INTENTION TO ENFORCE SECURITY
Subsection 244(1)
Form 86

TO: 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC., and 112 STREET NW EDMONTON PARTNERS GP INC. (collectively, the "**Debtor**"), an insolvent person.

TAKE NOTICE THAT:

1. Addenda Capital Inc. (the "**Secured Creditor**") intends to enforce its security on the Debtor's property including, but not limited to:
    a. The lands legally described as (the "**Lands**"):

FIRSTLY:
PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:
PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:
PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:
PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS;

b. All leases relating to the Lands and rents payable to the Debtor therefrom;

c. All present and after-acquired personal property and proceeds of the Debtor located on, arising from or used or acquired in connection with the Lands, or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the Lands and all accessions thereto and substitutions therefor; and

d. All proceeds of every item or kind arising from personal property of the Debtor located on, arising from or used or acquired in connection with the Lands, or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the Lands and all accessions thereto and substitutions therefor, including but not limited to trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments and insurance payments, instruments, investment property, intangibles, documents of title, money and any other property or obligations received when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of.

2. The security that is to be enforced includes, but is not limited to (collectively, the "**Security**"):

   a. a Mortgage dated January 31, 2018, as renewed;

   b. a General Assignment of Rents and Leases dated January 31, 2018;

   c. a Specific Assignment of Leases dated January 31, 2018;

   d. a Security Agreement dated January 31, 2018; and

   e. a Beneficial Owner's Agreement dated January 31, 2018.

3. The total amount of indebtedness secured by the Security as at April 10, 2023 is $12,783,728.48, plus interest, legal fees and other recoverable costs continuing to accrue thereon.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta this 10th day of April, 2023.

ADDENDA CAPITAL INC.

by its solicitors and agents Borden Ladner Gervais LLP

Per: _____

Jack R. Maslen

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the 10-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* and consents to the immediate enforcement by Addenda Capital Inc. of the Security referred to in the Section 244 Notice dated April 10, 2023.

DATED at _____, _____, this ___ day of _____ 2023.

112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Name:

Title

112 STREET NW EDMONTON PARTNERS GP INC.

Per: _____

Name:

Title

This is **EXHIBIT "R"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

JACK R. MASLEN
T 403-232-9790
F 403-266-1395
jmaslen@blg.com
File No: 292493.83

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave SW
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
blg.com

Borden Ladner Gervais

DELIVERED BY REGISTERED MAIL AND EMAIL (bmargetts@canderel.com)

April 10, 2023

CANDEREL ENTERPRISES INC.
900 – 2000 Peel St.
Montreal, Quebec H3A 2W5

CANDEREL PACIFIC INVESTMENTS INC.
1590 – 505 Burrard Street
Vancouver, BC V7X 1M5
Attention: Bryce Margetts

CANDEREL MANAGEMENT INC.
900 – 2000 Peel Street
Montreal, QC H2A 2W5
Attention: Joelle Sebag

LAWSON LUNDELL LLP
925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: Peter Tolensky

Dear Sirs/Mesdames:

Re: **Loan by Addenda Capital Inc. ("Addenda") to 112 Street NW Edmonton Partners Limited Partnership by its general partner 112 Street NW Edmonton Partners GP Inc. (collectively, the "Borrower") (the "Loan")**

Mortgage dated January 31, 2018 regarding the lands set out in the Schedule "A" attached hereto (the "Lands"), as renewed (the "Mortgage")

Guarantee of Mortgage granted by Canderel Enterprises Inc. ("Canderel", or the "Guarantor") dated January 31, 2018 (the "Guarantee")

We are counsel to Addenda with respect to the Loan and related security, which includes the Mortgage and Guarantee.

Pursuant to the Guarantee, and among other things, the Guarantor unconditionally and absolutely guaranteed to Addenda repayment of, without limitation, any and all obligations, indebtedness and liability of every nature and description payable by the Borrower to Addenda secured by the Mortgage. Notwithstanding the foregoing, the Guarantor's liability is limited to:

a) the principal sum of $4,000,000.00;

b) interest on such principal sum of $4,000,000.00 computed from the date of demand at the interest rate in the Mortgage; and

c) Addenda's legal costs on a solicitor-and-his-own client basis incurred to enforce the Guarantee

(collectively, the "**Guarantee Amount**").

The Guarantee further states, among other things, that any and all indebtedness of the Borrower to the Guarantor is assigned to Addenda, shall be held in trust by the Guarantor for Addenda, and upon demand

by Addenda, be paid to Addenda without in any way limiting or lessening the liability of the Guarantor under the Guarantee.

As of the date hereof, the Borrower is in default of the Loan, Mortgage and such other security by, among other things, failing to repay the Loan and Mortgage upon maturity. Consequently, Addenda is entitled to, and has demanded from the Borrower, repayment in full of all amounts due and owing under the Mortgage, which as of April 10, 2023 totals **$12,783,728.48**, together with all interest, legal fees and other chargeable costs continuing to accrue thereon (the "**Indebtedness**"). A copy of Addenda's formal demand upon the Borrower is enclosed for your reference.

Accordingly, please consider this letter as the formal demand by Addenda upon Canderel, as Guarantor, pursuant to the Guarantee, for:

1. Payment in full of the Guarantee Amount; and

2. Payment to Addenda of any amounts received by the Guarantor from the Borrower, which are held in trust for Addenda.

Please be advised that if the said payments, or payment arrangements satisfactory to Addenda, are not made within 10 days of the date of this letter, Addenda will proceed to take any and all steps it deems necessary to recover such amounts from you including, without limitation, commencing an action and enforcing Addenda's rights and remedies under the Guarantee.

We also enclose a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada), which is provided to you. If the Guarantor consents to Addenda taking earlier enforcement, please return the enclosed consent to the undersigned.

Kindly govern yourself accordingly.

Yours truly,

BORDEN LADNER GERVAIS LLP

JACK R. MASLEN

cc. Client

Enclosure

SCHEDULE "A"

FIRSTLY :

PLAN (B)
BLOCK TWELVE (12)
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
ALL THAT PORTION WHICH LIES NORTH WEST OF A STRAIGHT LINE DRAWN FROM A POINT IN THE WEST BOUNDARY TEN (10) FEET SOUTH FROM THE NORTH WEST CORNER THEREOF, TO A POINT IN THE NORTH BOUNDARY TEN (10) FEET EAST FROM THE NORTH WEST CORNER THEREOF.
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY:

PLAN (B)
BLOCK TWELVE (12)
LOT SIXTY ONE (61)
EXCEPTING THEREOUT:
THE MOST NORTHERLY TWENTY FOUR (24) FEET IN WIDTH THROUGHOUT OF SAID LOT
EXCEPTING THEREOUT ALL MINES AND MINERALS

THIRDLY:

PLAN B
BLOCK 12
LOT 62
EXCEPTING THEREOUT ALL MINES AND MINERALS

FOURTHLY:

PLAN B
BLOCK 12
LOT 63
EXCEPTING THEREOUT ALL MINES AND MINERALS

Borden Ladner Gervais

BANKRUPTCY AND INSOLVENCY ACT

NOTICE OF INTENTION TO ENFORCE SECURITY
Subsection 244(1)
Form 86

TO: CANDEREL ENTERPRISES INC. (the "**Debtor**"), an insolvent person.

TAKE NOTICE THAT:

1. Addenda Capital Inc. (the "**Secured Creditor**") intends to enforce its security on the Debtor's property including, but not limited to:

    a. all present and after-acquired intangibles (including accounts), instruments, chattel paper, investment property and money representing amounts owed or owing by 112 STREET NW EDMONTON PARTNERS LIMITED PARTNERSHIP by its general partner 112 STREET NW EDMONTON PARTNERS GP INC. to the Debtor; and

    b. all proceeds of every item or kind including but not limited to trade-ins, equipment, inventory, goods, notes, chattel paper, contract rights, accounts, rental payments and insurance payments, instruments, investment property, intangibles, documents of title, money and any other property or obligations received when such collateral or proceeds thereof are sold, collected, dealt with, exchanged or otherwise disposed of.

2. The security that is to be enforced includes a Guarantee of Mortgage granted by the Debtor dated January 31, 2018 (the "**Security**").

3. The total amount of indebtedness secured by the Security as at April 10, 2023 is $12,783,728.48 plus interest, legal fees and other recoverable costs continuing to accrue thereon.

4. The Secured Creditor will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta this 10th day of April, 2023.

ADDENDA CAPITAL INC.

by its solicitors and agents Borden Ladner Gervais LLP

Per: _____

Jack R. Maslen

Borden Ladner Gervais

CONSENT AND WAIVER

THE UNDERSIGNED hereby pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* waives the 10-day period of notice required under Section 244 of the *Bankruptcy and Insolvency Act* and consents to the immediate enforcement by Addenda Capital Inc. of the Security referred to in the Section 244 Notice dated April 10, 2023.

DATED at _____, _____, this ___ day of _____ 2023.

CANDEREL ENTERPRISES INC.

Per: _____

Name:

Title

This is **EXHIBIT "S"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

ADDENDA CAPITAL

MORTGAGE PAYOFF STATEMENT

LOAN NUMBER:	0101606
MORTGAGOR:	112 STREET NW EDMONTON PARTNERS GP INC
PROPERTY ADDRESS:	10050 - 112 STREET NW EDMONTON, AB T5K 2J1
INTEREST RATE:	4.2300%
MATURITY DATE:	Apr 01 2023
STATEMENT REQUEST DATE:	Apr 27 2023
PAYOFF EFFECTIVE DATE:	Apr 28 2023

Principal Balance (after the Mar 1, 2023 instalment due)	$12,726,264.95
Accrued Interest from Mar 1, 2023 to Apr 28, 2023	83,201.54
Late Interest	249.48
Prepayment Penalty	0.00
Sundry Due	0.00
Escrow Balance	0.00
Administration Fee	0.00
TOTAL AMOUNT REQUIRED	$12,809,715.97
Per Diem Interest thereafter:	$1,434.51

Kindly note that Certified Funds, Bank Draft or Solicitor Cheque made payable to "Addenda Capital Inc" and delivered to 1874 Scarth Street, Suite 1900, Regina, SK S4P 4B3 with Notice to mortgages.info@addendacapital.com and must be received by our office before 11:00 am Regina Time on Apr 28, 2023. Any payment received after the 11:00 am cut off time will be subject to the additional per diem interest.

This statement is effective until 11:00 AM (Regina Time) on Apr 28, 2023. If the loan is not paid out within that time, a new payout statement is required and may be subject to an additional Statement Fee.

For Wire Purposes, our Banking information can be provided under separate cover. Please note that Addenda Capital Inc is not responsible for any loss or misdirected funds. The Cut off time will apply to the time the funds are received by our office.

It is the responsibility of your office to ensure that the appropriate discharge documents are prepared and forwarded to Addenda Capital Inc. for execution. This includes any applicable PPSA discharge documentation.

This statement is subject to the correction of any errors or omissions. Please direct any questions or concerns to mortgages.info@addendacapital.com at 306-994-6565.

This is **EXHIBIT "T"** referred to

in the Affidavit of Savvas Pallaris

Sworn before me this 27th day of April, 2023

SAVVAS PALLARIS, CFA
EVP Commercial Mortgages
and Life Investments

DARCY JASMINE KNOWLES
Notary Public
SASKATCHEWAN

DARCY J. KNOWLES
A Notary Public
in and for Saskatchewan
My commission expires Mar. 31, 2024

1874 Scarth St. Suite 1900
Regina, SK S4P 4B3
306-994-6565

Edmonton

Property Tax Search

Date: April 3, 2023 **Account:** 3305356

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

Property Address: 10050 112 STREET NW EDMONTON AB T5K 2J1

Legal Description: Plan: NB Block: 12 Lot: 61 / Plan: NB Block: 12 Lot: 61 / Plan: NB Block: 12 Lot: 62 / Plan: NB Block: 12 Lot: 63

Assessed Parcel Description: Lot 61 Except North West Corner Area and all of Lot 62 and 63

Mortgage Company Billed: No **Monthly Payment Plan:** Yes

Valuation Group: OFFICE

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Assessment Year: 2023 **Assessment:** 11,287,000 **Year Built:** 1974

Land Use Description		Tax Class		Taxable Status
225	Downtown office	COMMERCIAL	100 %	225: (100%): FULLY TAXABLE JAN-2023 TO DEC-2023

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).

Property Tax		Account Status	
Prior Year: 2022			
Taxes:	**$281,744.53**	Tax Arrears:	**$ .00**
Annual Local Improvements:	**$101.04**	Penalty:	**$ .00**
Total Prior Year Taxes:	**$281,845.57**	Arrears Sub-Total:	**$ .00**
Tax Year: 2023		Current Taxes:	**($93,948.52)**
Taxes:	**$.00**	Penalty:	**$ .00**
Annual Local Improvements:**	**$.00**	Current Sub-Total:	**($93,948.52)**
Total Current Year Taxes:	**$.00**	Other Charges:	**$ .00**
		Penalty:	**$ .00**
		Other Charges Sub-Total:	**$ .00**
		Total Balance Owing on April 3, 2023	**($93,948.52)**