

Clerk's Stamp:



COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

COURT OF QUEEN'S BENCH OF ALBERTA

CALGARY

PLAINTIFF

MCAP FINANCIAL CORPORATION

DEFENDANT

1759255 ALBERTA LTD.

DOCUMENT

AFFIDAVIT

CONTACT INFORMATION OF

Cassels Brock & Blackwell LLP

PARTY FILING THIS DOCUMENT:

Suite 3810, Bankers Hall West

888 3 Street SW

Calgary, Alberta T2P 5C5

Attention: Jeffrey Oliver

Phone: 403-351-2921

Facsimile: 403-648-1151

AFFIDAVIT OF GEORGE MEJURY

Sworn on March 2, 2020

I, GEORGE MEJURY, of the City of Brampton, in the Province of Ontario, SWEAR AND SAY THAT:

1. I am a Director of Portfolio Management with MCAP Financial Corporation ("**MCAP**"). I have personal knowledge of the matters to which I hereinafter depose. Where I do not have personal knowledge of the matters set out herein, I have stated the source of my information and, in all such cases, believe it to be true.
2. This Affidavit is being sworn in addition to my Affidavit sworn January 9, 2020 in the within proceedings ("**First Mejury Affidavit**"). Capitalized terms not otherwise defined herein shall have the meaning defined in the First Mejury Affidavit.
3. I swear this affidavit:

- a. In support of the relief being sought by MCAP as set out at paragraph 3 of the First Mejury Affidavit; and
 - b. To provide supplementary evidence by way of an update on the events that occurred on and since January 21, 2020, the day before the receivership application in the within proceedings was initially scheduled to be heard.
4. After filing materials in the within application MCAP began the process of engaging a property manager to attorn the rents on the Property in advance of the receivership. In that regard, an inspector from Veranova Inc. ("**Veranova**") posted notices for the reassignment of rents on 39 units of the 45 units on the Premises. I am advised by Jeffrey Oliver of Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for MCAP, that the motel manager at the Property told Veranova that only 24 of the units were tenanted. Veranova provided this information to Cassels at 2:58pm on January 21, 2020. A copy of an email from Veranova to Cassels providing this information is attached hereto as **Exhibit "A"**.
5. I am further advised by Mr. Oliver, that later in the afternoon on January 21, 2020 he had a telephone call with counsel for 175 who was advised that a purchase agreement had been entered into in respect the Property. Shortly after that call, 175's counsel emailed an executed copy of the purchase agreement to Cassels ("**Purchase Agreement**"). A copy of the Purchase Agreement is attached hereto as **Exhibit "B"**.
6. The Purchase Agreement was entered into between 175 and 2241460 Alberta Ltd. ("**224**") at 2:00pm on January 21, 2020. Certain key terms of the Purchase Agreement are as follows:
 - a. Section 2.2 states that the purchase price would be \$3,500,000 inclusive of an initial \$50,000 deposit that was to be paid to 175's counsel in trust.

- b. Section 4.1 states that closing would take place on or before noon on February 29, 2020 ("**Closing Date**").
 - c. Section 8.1 states that the conditions precedent to the transaction in favour of the purchaser include: (i) a financing condition; and (ii) a diligence condition. If either condition was not satisfied by January 24, 2020, the transaction could be terminated by the purchaser and the deposit would be refunded without penalty or deduction.
7. A comparison of the corporate profile reports of 224 and 175 show that Xiaoling Ren is a director of both companies. A copy of the corporate profile report of 224 is attached hereto as **Exhibit "C"**. A copy of the corporate profile report for 175 is attached as Exhibit "B" to the First Mejury Affidavit.
8. In light of the Purchase Agreement and the impending sale of the Property by the end of February, MCAP agreed to adjourn the within proceedings that were scheduled to be heard on January 22, 2020 *sine die* on the following terms:
- a. If either the financing condition on the Purchase Agreement was not waived or satisfied by January 24, 2020 by 5:00pm or if the sale does not close by February 29, 2020 then 175 will not oppose the within application and will consent to the proposed form of receivership order sought;
 - b. All amounts due and owing to MCAP will be paid out upon close of the sale, including all legal fees and disbursements; and
 - c. 175 will not interfere with the attornment of rents from the Property.

9. A copy of an executed notice of waiver / satisfaction of conditions was executed by the purchaser on January 24, 2020 at 2:00pm and provided to MCAP on the same day. A copy of the executed notice is attached hereto as **Exhibit "D"**.
10. Considering the adjournment and the conditions to the Purchase Agreement being satisfied MCAP did not formally engage Veranova to carry out the attornment of rents.
11. I am advised by Mr. Oliver that counsel for 175 contacted Cassels on February 20, 2020 to request MCAP permit an extension to the Closing Date. A copy of this correspondence is attached hereto as **Exhibit "E"**.
12. In the circumstances, MCAP did not believe it was in its best interest to provide 175 with an extension to sell the Property.
13. Mr. Oliver further advised that counsel for 175 contacted Cassels again on February 27, 2020 to ask for an extension to the Closing Date. In exchange for an extension to March 31, 2020, 175 offered to release \$500,000 to MCAP by close of business on March 3, 2020. A copy of this correspondence is attached as **Exhibit "F"**.
14. MCAP agreed to allow for an extension to the Closing Date to March 31, 2020 on the basis that:
 - a. By close of business on March 3, 2020, 175 pays:
 - i. all arrears as of March 3, 2020; and
 - ii. a \$500,000 lump sum to be applied as follows: first to fees accruing after March 3, 2020, second to interest accruing after March 3, 2020 and third to principal;
 - b. If such payments are not made:

- i. there will be no further extensions granted by MCAP;
 - ii. 175 will not make any further extension requests; and
 - iii. as previously agreed, 175 will consent to the receivership;
- c. The remaining principal amount of the Mortgage, plus all interest, legal and other costs and expenses incurred by MCAP and accruing since March 3, 2020 must be paid out in full on closing the sale of the Property on March 31, 2020; and
- d. If all such outstanding amounts due under the Mortgage are not repaid in full by March 31, 2020, 175 will consent to the receivership.
15. Mr. Oliver advised, and I verily believe it to be true that 175 agreed to these terms.
16. I swear this Affidavit in support of the relief being sought by MCAP as described in paragraph 3 hereto and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in)
 the Province of Ontario, this 2nd day of March,)
 2020)

 Commissioner for Oaths/Notary Public in and for)
 Ontario)

 George Mejury)



TAB - A

This is **Exhibit "A"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.



.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



Bornstein, Jeremy

From: Oliver, Jeffrey
Sent: Wednesday, January 22, 2020 9:58 AM
To: Ifti Rashid; George Mejury; Stephen Ho
Cc: Bornstein, Jeremy
Subject: FW: File Number: 263502 (1717 Mountain Avenue, Canmore, AB T1W 2W1)
Reassignment of rents posted

Please see the below update, re rent attornment status

Cassels | **JEFFREY OLIVER**
t: +1 403 351 2921
e: joliver@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3810, Bankers Hall West, 888 3rd Street SW
Calgary, AB T2P 5C5 Canada

From: Fran Gravelle
Sent: Tuesday, January 21, 2020 2:58 PM
To: 'dmarechal@cassels.com'
Subject: File Number: 263502 (1717 Mountain Avenue, Canmore, AB T1W 2W1) Reassignment of rents posted

File Number: 263502
Address: 1717 Mountain Avenue, Canmore, AB T1W 2W1
Mortgagor: 1759255 Alberta Ltd

Good Afternoon Danielle

There are 43 units at this motel. Our inspector posted notices for the reassignment of rents on 39 units, 4 were obviously empty. Our inspector then spoke with the motel manager and he advised that 24 units are tenanted.

We have not received any tenant acknowledgement forms to date.

Thank you

Fran Gravelle
Team Leader

812-505 Consumers Road
Toronto, ON M2J 4V8
T. **416.701.9000 E. 4720**
D. **416.701.4720**
veranova.ca



veranova



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TAB - B

This is **Exhibit "B"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.



.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



COMMERCIAL PURCHASE CONTRACT

This form was developed by the Alberta Real Estate Association for the use of its members and may not be altered electronically by any person. Others who use this document do so at their own risk.

PART A – OFFER TO PURCHASE

This Contract is between

THE SELLER

and

THE BUYER

Name 1759255 Alberta Ltd.

Name 2241460 Alberta Ltd.

Name _____

Name _____

1. THE PROPERTY

1.1 The Property is the Land, Buildings, Accepted Tenancies, Attached Goods (unless excluded) and included Unattached Goods located at:

Municipal Address: 1717 Mountain Avenue, Canmore, Alberta

Legal Description: Plan 5263HV Block/Unit 1 Lot 8

Title(s) # 181220069. A copy of the existing Title(s) attached hereto as Schedule "A".
If Condominium Property, legal description and details as described in Commercial Condominium Property Schedule (attached).

1.2 All Attached Goods (fixtures) except for: _____

1.3 No Unattached Goods (specific chattels) except for:

Include all the appliances and furnitures in each room

1.4 Title to the Property shall be subject to any reservations and exceptions stated on the Certificate of Title, non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions normally found registered against property of this nature, and non-financial encumbrances that have been accepted by the Buyer (the "Permitted Encumbrances"). Unless otherwise agreed in writing, the Title shall be free and clear of all other liens, encumbrances, registrations and obligations except those implied by law.

The Buyer agrees to accept the following Permitted Encumbrances: _____

The Buyer agrees to accept the following tenancies (the "Accepted Tenancies"):

2. THE TRANSACTION

- 2.1 The Buyer and the Seller agree to act cooperatively, reasonably and in good faith.
- 2.2 The Buyer hereby offers to purchase the Property for the Purchase Price specified and allocated below:

\$ 50,000.00 Initial Deposit

\$ _____ Additional Deposit

\$ _____

\$ _____ New Financing

\$ _____ Seller Financing (as per attached Financing Schedule)

\$ _____ Other Value

\$ _____

\$ 3,450,000.00 Balance Owing

\$ 3,500,000.00 Purchase Price (plus GST, if applicable)

- 2.3 The Purchase Price does not include GST. In the event that GST is payable and the Buyer is not a GST registrant, then the Buyer shall remit the applicable GST to the Seller's lawyer on or before Completion Day.
- 2.4 Other than the Deposits, the Buyer shall pay the Purchase Price by lawyer's trust cheque, bank draft or other agreed value.

3. DEPOSITS

- 3.1 All Deposits shall be delivered in trust to the seller's lawyer.
Unless otherwise agreed in writing, the Initial Deposit shall accompany the offer. _____
- 3.2 The Initial Deposit shall be deposited no later than the third Business Day following the day that Final Signing occurred (as per clause 17.1) or the third Business Day following the receipt of the Initial Deposit, whichever is last.
- 3.3 Any Additional Deposits shall be delivered in trust as follows _____
Additional Deposits shall be deposited no later than the third Business Day following the day the Additional Deposit is received.
- 3.4 In the event that either Deposit(s) are undelivered or returned by the financial institution as funds not cleared or non-sufficient funds, then the Buyer must replace the Deposit(s) by money order, bank draft or lawyer's trust cheque within two (2) Business Days of being notified that the Deposits did not clear. If the Buyer fails to provide the Deposit(s), the Seller may, at its discretion, terminate the Contract by notice in writing to the Buyer within two (2) Business Days.
- 3.5 Unless otherwise agreed in writing, no interest on the Deposits shall be paid to the Seller or the Buyer. _____
- 3.6 The Deposits shall be held in trust for both the Seller and the Buyer and shall be:
 - (a) applied against the Commission and paid directly out of trust to the brokerage(s) when the Commission is earned in accordance with the terms of the Seller Brokerage Agreement or other commission agreement signed by the Seller;
 - (b) returned forthwith to the Buyer if this offer is not accepted and the cheque has not been deposited;
 - (c) refunded forthwith to the Buyer if this offer is not accepted and the Buyer's cheque has cleared the brokerage's trust account;
 - (d) refunded forthwith to the Buyer upon the Buyer's cheque clearing the brokerage's trust account if a condition is not satisfied or waived (as per Section 8) or the Seller fails to perform on this Contract; and
 - (e) forfeited to the Seller if this offer is accepted and all conditions are satisfied or waived and the Buyer fails to perform on this Contract.
- 3.7 The brokerage holding the Deposits is further directed and authorized to pay that portion of the Deposits exceeding the Commission in trust to the Seller's lawyer no later than two (2) Business Days prior to the Completion Day.

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- 3.8 If there is a dispute between the Seller and the Buyer as to entitlement to the Deposits then:
- (a) the brokerage holding the Deposits shall review the circumstances, determine entitlement and pay the money to the party who is entitled to the Deposits;
 - (b) if no reasonable conclusion can be made in regard to (a) above, the brokerage shall notify the parties to the Contract in writing and shall pay the money into a lawyer's trust account;
 - (c) the parties agree to allow the lawyer and/or the brokerage to deduct from the Deposits a reasonable fee and costs incurred for dealing with the Deposits;
 - (d) a brokerage and/or lawyer acting in good faith under this clause shall not be liable to either party for any damages associated with the handling of the Deposits except as arising from the negligence of the brokerage or lawyer.
- 3.9 In the event that the brokerage holding the trust funds ceases to be licensed in real estate, the Buyer and the Seller agree to allow the trust funds to be transferred to the brokerage representing the other party.

4. CLOSING

- 4.1 Subject to compliance with the terms hereof, possession of the Property shall be available and given to the Buyer on or before 12 noon on the 29 day of February 2020, (the "Completion Day"), subject to the rights of the Accepted Tenancies, if any.
When the Buyer obtains possession, the Property will be in substantially the same condition as it was in when this Contract was accepted.
- 4.2 All normal adjustments for the Property including but not limited to taxes, local improvement levy and assessments, municipal charges, rents, utilities, tenant deposits including interest, prepaid rent, mortgage principal and interest that are applicable with respect to the Property shall be adjusted as of 24:00 hours on the Completion Day. The Buyer shall assume all local improvements, assessments and charges against the Property as of that time.
- 4.3 Closing documents shall:
- (a) consist of the transfer of land (the "Transfer") in registerable form together with all applicable conveyancing documents normally expected in a commercial transaction of this nature;
 - (b) include estoppel certificates for each of the Accepted Tenancies (if applicable); and
 - (c) be prepared at the expense of the Seller and delivered to the Buyer's lawyer within a reasonable time to confirm registration prior to the Completion Day.
- 4.4 In the event the Seller fails to deliver the Transfer to the Buyer's lawyer within such reasonable time, then the Buyer shall not be obliged to pay interest on that portion of the cash to close attributable to the Buyer's own funds, excluding mortgages, provided that those funds are paid to Seller's lawyer in trust, until the Buyer has a reasonable time in which to register the Transfer.
- 4.5 The Seller's lawyer may use the Purchase Price to pay out all mortgages, condominium contributions, registrations and other financial obligations that are the Seller's obligation to pay or discharge. Within a reasonable period of time after the Completion Day, the Seller's lawyer will provide the Buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title and an estoppel certificate evidencing the payment of all condominium contributions that are the Seller's obligation to pay.
- 4.6 All money due and owing to the Seller including GST, if applicable, shall be paid to the Seller's lawyer on or before the Completion Day. If the Seller agrees to accept payment after the Completion Day, the Buyer shall pay interest at a rate of 3% per annum above the prime rate set by the Alberta Treasury Branch on all monies owing to the Seller, from the Completion Day to and including the date that the monies owing have been unconditionally paid. Payment received after noon on any day will be payment as of the next Business Day.
- 4.7 If a new mortgage is a condition of this Contract, the Seller agrees to trust conditions that allow the Buyer's lawyer to register the Transfer so as to obtain the advance of mortgage funds on the new mortgage, provided however that the Buyer's lawyer undertakes, accepts, and complies with reasonable trust conditions imposed by the Seller's lawyer until the Seller has been paid the total Purchase Price.
- 4.8 The Seller's lawyer has a right to prepare (at the expense of the Buyer) any mortgage or agreement for sale between the Seller and the Buyer.

5. INSURANCE

- 5.1 The risk of loss or damage to the Property will lie with the Seller until the Purchase Price is paid according to the terms of this Contract. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Seller represents and warrants to the Buyer that:
- (a) the current use of the Land and Buildings complies with the existing municipal land use bylaw;
 - (b) the Buildings and other improvements on the Land are not placed partly or wholly on any easement or utility right-of-way and are entirely on the Land and do not encroach upon neighbouring lands, except where an encroachment agreement is registered on title, or in the case of an encroachment into municipal lands or a right-of-way, the municipality has endorsed encroachment approval directly on the real property report;
 - (c) the location of Buildings and other improvements on the Land complies with all relevant municipal bylaws, regulations or relaxations granted by the appropriate municipality prior to the Possession Date, or the Buildings and other improvements on the Land are "non-conforming buildings" as that term is defined in the *Municipal Government Act* (Alberta);
 - (d) the current use of the Land and Buildings and the location of the Buildings and other improvements on the Land comply with any restrictive covenant on title;
 - (e) to the best of the Seller's knowledge, there is no legal action outstanding with respect to the Property;
 - (f) the Seller is not in breach of any contract with respect to the Property;
 - (g) the Seller is not in breach of any obligation to any third party with respect to the Property;
 - (h) within the meaning of the *Income Tax Act* (Canada), the Seller is not now nor will be on the Completion Day a non-resident of Canada nor an agent or a trustee for any person with an interest in the Property who is a non-resident of Canada;
 - (i) \$ _____ is the current monthly condominium contribution payable (fee for administrative and other expenses); and
 - (j) except as otherwise disclosed, the Seller is not aware of any defects that are not visible and that may render the Property dangerous or potentially dangerous to occupants or unfit for habitation.
- 6.2 All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Day, unless otherwise agreed in writing.
- 6.3 The Seller and the Buyer each acknowledge that, except as otherwise described in this Contract, there are **no other warranties, representations or collateral agreements** made by or with the other party, the Seller's brokerage and the Buyer's brokerage about the Property, any neighbouring lands, and this transaction, including any warranty, representation or collateral agreement relating to the size/measurements of the Land and Buildings or the existence or non-existence of any environmental condition or problem.
- 6.4 The representations and warranties in this Contract may be enforced after the Completion Day, provided that any legal action is commenced within the time limits prescribed by the *Limitations Act* (Alberta).
- 6.5 The Buyer shall have the right to register a **caveat** against the title to the Property upon the acceptance of this offer by the Seller. Should the Buyer fail to perform this Contract, it agrees to forthwith discharge that caveat.

7. ADDITIONAL TERMS

- 7.1 All time periods, deadlines and dates in this Contract shall be strictly followed and enforced. All times will be Alberta time unless otherwise stated.
- 7.2 Neither the Buyer or the Seller shall assign its interest in the Property without the written approval of the other, such approval not to be unreasonably withheld.
- 7.3 All changes of number and gender shall be made where required.
- 7.4 This Contract will be governed by the laws of the Province of Alberta. The parties submit to the exclusive jurisdiction of the Courts in the Province of Alberta for any dispute that may arise out of this transaction.
- 7.5 The following terms are a part of this Contract:

8. CONDITIONS

8.1 The Buyer's Conditions are:

(a) **Financing Condition**

It is a condition precedent of this offer that the Buyer, as per clause 2.2, is able to place a new mortgage(s) upon terms acceptable to the Buyer. The Buyer shall have the opportunity to obtain such financing until

Before 5 p.m. on January 24, 2020, (the "Condition Day").

(b) **Due Diligence Condition**

(i) Within three (3) Business Days of the Final Signing of this Contract, as per clause 17.1, the Seller will provide to the Buyer true copies of all agreements/documents/materials that reasonably relate to the property and to the Buyer's Conditions and which are in the possession of the Seller or under its control (the "Documents"). The Documents will include: any Permitted Encumbrances; Accepted Tenancies; financial records and statements respecting the Property and any operating agreements that the Buyer is to assume; all engineering, mechanical, electrical, plumbing, roof, heating, ventilation, construction or similar reports, assessments, plans, drawing, specifications, relevant correspondence or work orders; environmental reports; and _____

(ii) The Buyer may also, at its expense, retain consultants to conduct searches and such inspections, reviews and tests and to produce such observations, reports or assessments regarding the Property as it deems necessary, and for these purposes the Buyer and its authorized representatives, acting reasonably, will have access to the Property after Final Signing and during normal business hours. The rights of the existing tenants must be respected and the Buyer will be responsible for all damages caused by its representatives. The Seller will provide the Buyer with such written authorizations and other assistance when reasonably required by the Buyer to facilitate its inspections, reviews or tests.

It is a condition precedent of this offer that the information be satisfactory to the Buyer.

Before 5 p.m. on January 24, 2020, (the "Condition Day").

The Buyer shall keep all information obtained in strict confidence and shall only make the information available to the Buyer's employees, agents and professional advisors in strict confidence and shall return all of the above materials including all copies to the Seller before any Deposits are released to the Buyer pursuant to this Contract.

(c) **Condominium Documents Condition**

This Contract is subject to the Buyer's Condition regarding Condominium Documents as per attached Commercial Condominium Property Schedule. Yes No

Before 5 p.m. on January 24, 2020, (the "Condition Day").

(d) **Additional Buyer's Conditions**

Before 5 p.m. on January 24, 2020, (the "Condition Day").

8.2 The Seller's Conditions are:

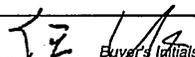
Before 5 p.m. on _____, 20____, (the "Condition Day").

8.3 Unless otherwise agreed in writing, the Buyer's Conditions are for the sole benefit of the Buyer and the Seller's Conditions are for the sole benefit of the Seller. The Buyer and Seller must use reasonable efforts to satisfy their respective Conditions.

8.4 The Buyer and the Seller may unilaterally waive or acknowledge satisfaction of their Conditions by giving a written notice to the other party on or before the stated Condition Day. If that notice is not given, then this Contract is ended immediately following that Condition Day and the Deposit(s) plus any earned interest will be returned to the Buyer and all agreements, documents, materials and written information exchanged between the parties will be returned to the Buyer and Seller respectively.



Seller's Initials



Buyer's Initials

8.5 Subject to clause 8.3, the Buyer and the Seller may give written notice to the other party on or before the stated Condition Day advising that a Condition will not be waived, has not been satisfied and will not be satisfied on or before the Condition Day. If that notice is given, then this Contract is ended upon the giving of that notice.

9. ATTACHED SCHEDULES

9.1 The following Schedules form part of this Contract and are attached:

- | | | |
|--|---|--|
| <input type="checkbox"/> Schedule A (copy of Title) | <input type="checkbox"/> Schedule B (other documents) | <input type="checkbox"/> Financing Schedule |
| <input type="checkbox"/> Commercial Condominium Property Schedule | <input type="checkbox"/> Addendum | <input type="checkbox"/> Seller Financing |
| <input type="checkbox"/> Assumption of Mortgage/Agreement for Sale | <input type="checkbox"/> Other Value | <input type="checkbox"/> Other Schedules _____ |

10. REMEDIES/DISPUTES

10.1 If the Seller or the Buyer fails or refuses to complete the Contract according to its terms, then the other party may pursue all available remedies. The Seller's remedies include keeping the Deposits and claiming additional damages. Both the Seller and the Buyer can claim reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

11. SECURITY FOR BROKERAGE REMUNERATION

11.1 The Seller does hereby irrevocably assign to the Seller's brokerage enough of the Purchase Price to pay all sums due and owing to the Seller's brokerage, and agrees to pay any unpaid balance of the Commission to the Seller's brokerage.

12. ADVICE

- 12.1 This Contract is intended to create binding legal obligations. The Seller and the Buyer should read this Contract carefully and are encouraged to obtain legal advice before signing.
- 12.2 This Contract may be signed and sent by fax or by email and these procedures will be as effective as signing and delivering an original copy.
- 12.3 Unless there is a written agreement for alternate representation, the Seller's brokerage (including its broker, all associate brokers and associates) represents the Seller as Seller's Agent and does not have a fiduciary relationship with the Buyer, and the Buyer's brokerage (including its broker, all associate brokers and associates) represents the Buyer as Buyer's Agent and does not have a fiduciary relationship with the Seller.
- 12.4 The Buyer and Seller agree that the sale and other related information regarding this transaction may be retained and disclosed by the brokerage and/or its real estate board(s) as required for closing and for reporting, appraisal and statistical purposes.

13. DEFINITIONS

- 13.1 In this Contract:
- (a) *Business Day* means every day but Saturday, Sunday and statutory holidays.
 - (b) *Commission* means the sum owing from the Seller for services rendered under the Seller Brokerage Agreement plus GST.
 - (c) *Seller Brokerage Agreement* means any written service or commission agreement obligating the Seller to pay remuneration.
 - (d) *Notice* means any notice referred to in this Contract and includes communication of the acceptance of an offer to purchase.
 - (e) *Unless otherwise agreed in writing* means either changes made to the terms of this Contract that are agreed to by both the Seller and the Buyer, or a written agreement by letter or otherwise between the Seller or the Seller's lawyer and the Buyer or the Buyer's lawyer.

SR Seller's Initials IZ Buyer's Initials

14. REPRESENTATIVES/NOTICE/COMMUNICATION

Note: This section must be completed by the Buyer and Seller.

2241460 Alberta Ltd. 1759255 Alberta Ltd.

- 14.1 As long as the Representative information is completed, the identified Representatives are authorized to send and receive any Notices, documents and information on behalf of their respective clients in person, by fax, or by email. Buyer and Seller acknowledge there are risks with each of these methods.
- 14.2 Buyer and Seller agree that all Notices, documents and information exchanged between the parties in person, by fax, or by email will be considered effective if they are sent.
- 14.3 The following addresses must be used for communication between Buyer, Seller and their Representatives, unless otherwise stated. If the information changes, Buyer and Seller must tell each other, in writing, through their Representatives, within two Business Days of the change.

Designated Address for Communication: mark.evernden@engelvoelkers.com

The Buyer acknowledges that the following is the designated address for communication for all buyers.

Name _____
 Address _____ (postal code)
 Phone _____ Fax _____
 Email _____

Buyer Brokerage Information:

BROKERAGE: ENGEL & VOLKERS CALGARY BROKERAGE REPRESENTATIVE: Mark Evernden
 Address 140 - 215, 9 AVENUE SW Address: c/o the Brokerage
CALGARY T2P 1K3 (postal code)
 Phone (587) 387-2228 Fax (403) 698-7521 Phone (403) 829-3776 Fax _____
 Email _____ Email mark.evernden@engelvoelkers.com

The Seller acknowledges that the following is the designated address for communication for all sellers.

Name _____
 Address _____ (postal code)
 Phone _____ Fax _____
 Email _____

Seller Brokerage Information:

BROKERAGE: _____ BROKERAGE REPRESENTATIVE: _____
 Name _____ Name _____
 Address _____ Address: c/o the Brokerage
 _____ (postal code)
 Phone _____ Fax _____ Phone _____ Fax _____
 Email _____ Email _____

SR *UE*
 _____ Seller's Initials _____ Buyer's Initials

15. OFFER

15.1 Buyer and Seller agree that an electronic signature, as defined in the *Electronic Transactions Act* (Alberta), or a digitized signature will have the same function as an ink signature.

15.2 The Buyer offers to buy the Property for the Purchase Price according to the terms of this Contract. January 21

15.3 This offer/counter offer shall be open for acceptance in writing until 5pm.m. on _____, 2020.

SIGNED AND DATED at Vancouver BC, Alberta at 2pm Jan.21, 2020.

2241460 Alberta Ltd.

Name of Buyer (print)

Per: Xiao Ling Ren
Authorized Signing Officer(s)

Witness

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Per: Lake Deng
Authorized Signing Officer(s)

Witness

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Buyer's GST # _____

PART B – ACCEPTANCE

16. ACCEPTANCE

16.1 The Seller accepts the Buyer's offer and agrees to sell the Property for the Purchase Price according to the terms of this Contract.

SIGNED AND DATED at calgary, Alberta at 3 p.m. on Jan.21, 2020.

1759255 Alberta Ltd.

Name of Seller (print)

Per: [Signature]
Authorized Signing Officer(s)

Witness

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Per: _____
Authorized Signing Officer(s)

Witness

Print Name of Authorized Signing Officer(s)

Print Name of Witness

Seller's GST # _____

17. FINAL SIGNING

17.1 Final Signing of this Contract occurred at _____m. on _____, 20_____.

Initials of the person(s) who signed last _____

CONVEYANCING

BUYER:

Name 2241460 Alberta Ltd.

Name _____

Address _____

Address _____

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

BROKERAGE:

Name ENGEL & VOLKERS CALGARY

BROKERAGE REPRESENTATIVE:

Name Mark Evernden

Address 140 - 215, 9 AVENUE SW

Address: c/o the Brokerage

CALGARY T2P 1K3
(postal code)

Phone (587) 387-2228 Fax (403) 698-7521

Phone (403) 829-3776 Fax _____

Email _____

Email mark.evernden@engelvoelkers.com

LAWYER:

Name _____

Address _____

Phone _____ Fax _____ (postal code) _____

Email _____

SELLER:

Name 1759255 Alberta Ltd.

Name _____

Address _____

Address _____

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

BROKERAGE:

Name _____

BROKERAGE REPRESENTATIVE:

Name _____

Address _____

Address: c/o the Brokerage

Phone _____ Fax _____ (postal code) _____

Phone _____ Fax _____ (postal code) _____

Email _____

Email _____

LAWYER:

Name _____

Address _____

Phone _____ Fax _____ (postal code) _____

Email _____

N Y

N Y

TAB - C

This is **Exhibit "C"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.


.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



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

Date of Search: 2020/01/22
Time of Search: 01:41 PM
Search provided by: Cassels Brock & Blackwell LLP
Service Request Number: 32374816
Customer Reference Number: 29633-235

Corporate Access Number: 2022414607
Legal Entity Name: 2241460 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2020/01/21 YYYY/MM/DD

Registered Office:

Street: 2120, 237 - 4TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 4K3

Records Address:

Street: 2120, 237 - 4TH AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 4K3

Email Address: CORPORATE@CARONPARTNERS.COM

Directors:

Last Name: DENG
First Name: XIAOBO
Street/Box Number: 1037 PREMIER WAY S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2T 5W6

Last Name: REN
First Name: XIAOLING
Street/Box Number: 1408 - 33 STREET S.W.
City: CALGARY

Province: ALBERTA
Postal Code: T3C 1P1

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: NO SHARE OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE MAJORITY OF DIRECTORS.
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE "B"

Other Information:

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2020/01/21	Incorporate Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2020/01/21
Other Rules or Provisions	ELECTRONIC	2020/01/21

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.



TAB - D

This is **Exhibit "D"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.



.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



COMMERCIAL PURCHASE CONTRACT NOTICE

(Re: Waiver/Satisfaction of Conditions)

This Notice is attached to and forms part of the Commercial Purchase Contract # 3085737 Mar 07

Notice to: 1739255 Alberta Ltd.
Seller/Buyer of the Property
 Municipal Address 1717 Mountain Avenue, Canmore, Alberta

Legal Address: Plan 5263 HV Block/Unit I Lot 8

1. I am the Seller/Buyer of the Property in the Commercial Purchase Contract # 3085737 Mar 07
 (the "Contract").
 The condition(s) in that Contract that I now unilaterally waive or have satisfied is (are):

- 8.1 (a) Financing Condition has been satisfied.
- 8.1 (b) Due Diligence conditions has been satisfied.

- 2. All other provisions in the Contract remain in full force and effect.
- 3. In this notice, the singular shall be constituted as the plural where the context so requires.
- 4. This notice shall enure to the benefit and be binding upon my heirs, executors, administrators, successors and assigns.
- 5. **As per the Contract, if a notice has not been given to the other party before 5 p.m. on or before the stated Condition Day, then the transaction is ended.**

SIGNED in the presence of a witness, and DATED at Calgary, Alberta
 at 2 p.m. on January 24, 2020

<p><u>[Signature]</u> Seller/Buyer</p>	<p><u>[Signature]</u> Witness</p>
<p><u>[Signature]</u> Seller/Buyer</p>	<p><u>[Signature]</u> Witness</p>

If needed for commercial transactions:

<p>Per: <u>[Signature]</u> Authorized Signing Officer(s)</p>	<p><u>[Signature]</u> Witness</p>
<p>Per: <u>[Signature]</u> Authorized Signing Officer(s)</p>	<p><u>[Signature]</u> Witness</p>

TAB - E

This is **Exhibit "E"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.



.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



Bornstein, Jeremy

From: Oliver, Jeffrey
Sent: Thursday, February 20, 2020 7:58 PM
To: Ifti Rashid; George Mejury; Stephen Ho
Cc: Bornstein, Jeremy
Subject: FW: MCAP FINANCIAL CORP v 1759255 Alberta Ltd.

Please see below.



Cassels

JEFFREY OLIVER

t: +1 403 351 2921
e: joliver@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3810, Bankers Hall West, 888 3rd Street SW
Calgary, AB T2P 5C5 Canada
Services provided through a professional corporation

From: Kyle Fowler <kfowler@sugimotolaw.com>
Sent: Thursday, February 20, 2020 3:16 PM
To: Oliver, Jeffrey <joliver@cassels.com>
Subject: RE: MCAP FINANCIAL CORP v 1759255 Alberta Ltd.

Jeff,

In regard to the above matter and the purchase and sale of the Akai motel, I am advised by my client that the purchaser in this matter is seeking new financing in order to obtain a preferential rate, and should that be obtained the purchaser will be seeking an amendment to the closing date. My client is seeking further particulars from the purchaser as to when that would be, but as of this email has yet to receive a proposed new closing date. My understanding is the same would be expected to be two to three weeks behind the original closing date scheduled for end of this month. Given the same it would impact my clients ability to complete the sale by the deadline we agreed to. As such I seek your opinion in regard to the same as to whether a short extension of the closing time would be agreeable, with confirmation of the proposed date to follow as soon as possible.

Best regards,

Kyle Fowler
Barrister & Solicitor
& Notary Public
P: (403) 219-4210
F: (403) 291-4099
E: kfowler@sugimotolaw.com

SUGIMOTO & COMPANY

Office: (403) 291-4650
Suite #204, West Atrium, 2635 – 37 Ave. N.E.
Calgary, Alberta T1Y 5Z6

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TAB - F

This is **Exhibit "F"** referred to in the affidavit of **George Mejury** sworn before me in the City of Toronto, in the Province of Ontario, Canada this 2nd day of March, 2020.



.....
A Commissioner For Taking Affidavits
JEREMY BORNSTEIN LSO# 65425C
Barrister and Solicitor



Bornstein, Jeremy

From: Kyle Fowler <kfowler@sugimotolaw.com>
Sent: Thursday, February 27, 2020 1:16 PM
To: Bornstein, Jeremy
Cc: Oliver, Jeffrey
Subject: RE: MCAP FINANCIAL CORP v 1759255 Alberta Ltd.

Jeremy and Jeff,

Further to my email from an hour ago, I have now had a chance to discuss the file with my client. He has confirmed that he is pursuing the close with the purchasers with the hope everything proceeds as scheduled, but that the delay comes from the purchasers side as they have been slow to get their end in order. Its my understanding that a building inspection was just completed a few days ago, and that they expect that will take up to 2 weeks turnaround, and further that they require that for their financing.

As such my client is clear that this would be a breach of the agreement and has been making efforts to try and resolve this, hence the requests for an extension. Based on his efforts and at present time the purchaser is still delayed, but it is our understanding that \$500,000 is expected to be available for release to MCAP on or before end of business on Tuesday, March 3rd. As such, and contingent on the payment of \$500,000 on or before close of business on March 3rd, I am instructed again to seek an extension of time for closing of the purchase and sale, which would be amended to close on March 31, 2020. We understand your clients previous position, but remain hopeful that in light of a sizable payment against the arrears which would be issued before the application is returnable that they will be amenable to granting a reasonable extension in this matter.

We look forward to your client's response. Should you wish to discuss this further please let me know which of you to call in the hopes of advancing the matter quicker through a call than through a series of emails.

Best regards,

Kyle Fowler
Barrister & Solicitor
& Notary Public
P: (403) 219-4210
F: (403) 291-4099
E: kfowler@sugimotolaw.com

SUGIMOTO & COMPANY
Office: (403) 291-4650
Suite #204, West Atrium, 2635 – 37 Ave. N.E.
Calgary, Alberta T1Y 5Z6

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From: Kyle Fowler
Sent: Thursday, February 27, 2020 10:12 AM
To: 'Bornstein, Jeremy' <jbornstein@cassels.com>
Cc: Oliver, Jeffrey <joliver@cassels.com>
Subject: RE: MCAP FINANCIAL CORP v 1759255 Alberta Ltd.

Jeremy,