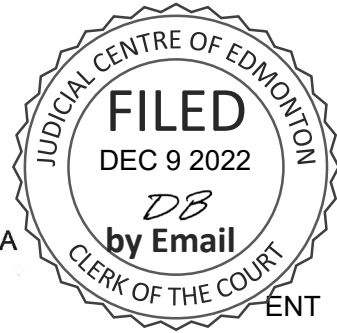


Clerk's Stamp:



COURT FILE NUMBER 2203 19336
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
PLAINTIFFS **MIKE PRIESTNER REAL ESTATE INC. and MPRE GP DEV INC.**
DEFENDANTS **2399430 ALBERTA LTD., 2399449 ALBERTA LTD., TURNIP HOMES INC., and HENOK KASSAYE**
DOCUMENT **AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
2500 Stantec Tower
10220 – 103 Avenue
Edmonton, Alberta T5J 0K4
Ph. (780) 423-7325 Fx. (780) 423-7276
Attention: Nicholas C. Williams
File No.: 511055-121/NCW

Sworn on December 6, 2022

I, Christopher Burrows, of the City of Edmonton, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. I am a Director of Mike Priestner Real Estate Inc. ("**Priestner**") and MPRE GP Dev Inc. ("**GP**"), and, as such, have personal knowledge of the matters hereinafter deposed to, except where stated to be based upon information and belief, in which case I verily believe the same to be true. My personal knowledge is based upon my own involvement and based upon Priestner and GP's books and records, made and kept in Priestner and GP's ordinary course of business. I am authorized to swear this Affidavit on behalf of Priestner and GP.
2. The Defendant, 2399430 Alberta Ltd. ("**430**") is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Edmonton, Alberta. Attached to my Affidavit as Exhibit "A" is a copy of the Alberta Corporate Registration System search for 430.
3. The Defendant, 2399449 Alberta Ltd. ("**449**") is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Edmonton, Alberta. Attached to my Affidavit as Exhibit "B" is a copy of the Alberta Corporate Registration System search for 449.
4. The Defendant, Turnip Homes Inc. ("**Turnip**") is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Edmonton, Alberta. Attached to my Affidavit as Exhibit "C" is a copy of the Alberta Corporate Registration System search for Turnip.
5. Based upon my review of Priestner and GP's books and records, I believe that the Defendant, Henok Kassaye ("**Kassaye**"), resides in or near Edmonton, Alberta.

6. I am the person at Priestner and GP responsible for the administration of the loan of 430 with Priestner, and the loan of 449 with GP, insofar as concerns the matters raised in the Statement of Claim in these proceedings.

430'S INDEBTEDNESS

7. Pursuant to a Purchase and Sale Agreement dated January 27, 2022 and Mortgage dated January 27, 2022 between Priestner as vendor and lender, and 430 as purchaser and borrower (collectively, the "**430 Sale Agreement**"), 430 agreed to purchase certain assets from Priestner, which purchase price was to be paid by way of cash deposits and additional financing provided by Priestner, which borrowed funds 430 agreed to repay to Priestner with interest. Collectively attached to my Affidavit as Exhibit "D" are true copies of the 430 Sale Agreement.
8. As a result of such borrowing, 430 is directly indebted to Priestner as follows:
- (a) Mortgage - \$5,555,818.81 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time ("**Prime**"); and
 - (b) costs on a solicitor and his own client basis
- (all sums payable to Priestner in paragraphs (a) – (b) above are herein collectively referred to as the "**430 Indebtedness**").
9. Attached to my Affidavit and marked as Exhibit "E" is a true copy of entries made in the usual and ordinary course of business of Priestner in books or records which were at the time of the making of the entries one of the ordinary books or records of Priestner. The books or records are in the custody and control of Priestner. Exhibit "E" evidences the 430 Indebtedness, exclusive of legal costs.

449'S INDEBTEDNESS

10. Pursuant to a Purchase and Sale Agreement dated January 27, 2022 and Mortgage dated January 27, 2022 between GP as vendor and lender, and 449 as purchaser and borrower (collectively, the "**449 Sale Agreement**"), 449 agreed to purchase certain assets from GP, which purchase price was to be paid by way of cash deposits and additional financing provided by GP, which borrowed funds 449 agreed to repay to GP with interest. Collectively attached to my Affidavit as Exhibit "F" are true copies of the 449 Sale Agreement.
11. As a result of such borrowing, 449 is directly indebted to GP as follows:
- (a) Mortgage - \$10,748,998.51 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above Prime; and
 - (b) costs on a solicitor and his own client basis
- (all sums payable to GP in paragraphs (a) – (b) above are herein collectively referred to as the "**449 Indebtedness**").
12. Attached to my Affidavit and marked as Exhibit "G" is a true copy of entries made in the usual and ordinary course of business of GP in books or records which were at the time of the making of the entries one of the

ordinary books or records of GP. The books or records are in the custody and control of GP. Exhibit "G" evidences the 449 Indebtedness, exclusive of legal costs.

TURNIP'S GUARANTEED INDEBTEDNESS

13. On or about January 27, 2022, Turnip granted to Priestner a Guarantee, guaranteeing to Priestner repayment of all indebtedness of 430 to Priestner, together with all costs on a solicitor and his own client basis (the "**First Turnip Guarantee**"). Attached to my Affidavit as Exhibit "H" is a true copy of the First Turnip Guarantee.
14. Pursuant to the First Turnip Guarantee, Turnip is indebted to Priestner in the amount of \$5,555,818.81 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**First Turnip Indebtedness**").
15. On or about January 27, 2022, Turnip granted to GP a Guarantee, guaranteeing to GP repayment of all indebtedness of 449 to GP, together with all costs on a solicitor and his own client basis (the "**Second Turnip Guarantee**"). Attached to my Affidavit as Exhibit "I" is a true copy of the Second Turnip Guarantee.
16. Pursuant to the Second Turnip Guarantee, Turnip is indebted to GP in the amount of \$10,748,998.51 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**Second Turnip Indebtedness**").

KASSAYE'S GUARANTEED INDEBTEDNESS

17. On or about January 27, 2022, Kassaye granted to Priestner a Guarantee, guaranteeing to Priestner repayment of all indebtedness of 430 to Priestner, together with all costs on a solicitor and his own client basis (the "**First Kassaye Guarantee**"). Attached to my Affidavit as Exhibit "J" is a true copy of the First Kassaye Guarantee.
18. Pursuant to the First Kassaye Guarantee, Kassaye is indebted to Priestner in the amount of \$5,555,818.81 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**First Kassaye Indebtedness**").
19. On or about January 27, 2022, Kassaye granted to GP a Guarantee, guaranteeing to GP repayment of all indebtedness of 449 to GP, together with all costs on a solicitor and his own client basis (the "**Second Kassaye Guarantee**"). Attached to my Affidavit as Exhibit "K" is a true copy of the Second Kassaye Guarantee.
20. Pursuant to the Second Kassaye Guarantee, Kassaye is indebted to GP in the amount of \$10,748,998.51 as at November 30, 2022, plus interest thereon and thereafter at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**Second Kassaye Indebtedness**").

THE 430 SECURITY

21. Pursuant to the 430 Sale Agreement, 430 acquired and became the registered owner of the following lands:

 PLAN F
 LOT 6

 (the "**Jasper Avenue Lands**").

Attached to my Affidavit as Exhibit "L" is a copy of the Alberta Land Titles Registry search for the Jasper Avenue Lands.

22. By a Mortgage dated January 27, 2022 and registered in the Alberta Land Titles Office as instrument number 222 105 237, 430 mortgaged to Priestner the Jasper Avenue Lands for securing payment of the principal sum of \$5,218,904.00, plus interest at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**430 Mortgage**"). Attached to my Affidavit as Exhibit "M" is a true copy of the 430 Mortgage.

THE 449 SECURITY

23. Pursuant to the 449 Sale Agreement, 449 acquired and became the registered owner of the following lands:

PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**109 Street Lands**")

PLAN I2
BLOCK 103
LOT 6

(the "**Saskatchewan Drive Lands**")

DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**81 Avenue Lands**")

Collectively attached to my Affidavit as Exhibit "N" are copies of the Alberta Land Titles Registry searches for the 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands.

24. By a Mortgage dated January 27, 2022 and registered in the Alberta Land Titles Office as instrument number 222 128 556, 449 mortgaged to GP the 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands for securing payment of the principal sum of \$10,106,096.00, plus interest at the rate of 4.50% per annum above Prime, plus costs on a solicitor and his own client basis (the "**449 Mortgage**"). Attached to my Affidavit as Exhibit "O" is a true copy of the 449 Mortgage.

DEMANDS AND DEFAULTS

25. On or about November 29, 2022, Priestner obtained a Tax Search from the City of Edmonton in relation to the Jasper Avenue Lands, which disclosed unpaid taxes and penalties in the amount of \$18,784.96 as at November 29, 2022. Attached to my Affidavit as Exhibit "P" is a copy of the Tax Search for the Jasper Avenue Lands.
26. 430 is in default of its obligations pursuant to the 430 Sale Agreement and 430 Mortgage by, among other things, failing to pay amounts owing to 430 as required pursuant to the 430 Mortgage, and failing to pay

municipal tax arrears assessed by the City of Edmonton against the Jasper Avenue Lands. All amounts secured by the 430 Mortgage are due and owing.

27. On or about November 25, 2022, Priestner did demand payment of the 430 Indebtedness from 430, but 430 has failed or neglected and continues to fail or neglect to pay the 430 Indebtedness. Concurrent with the issuance of the demand for payment, Priestner did send to 430 a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "*BIA*"). Collectively attached to my Affidavit as Exhibit "Q" are true copies of the demand and Notice of Intention to Enforce Security sent to 430.
28. On or about November 29, 2022, Priestner obtained a Tax Search from the City of Edmonton in relation to the 109 Street Lands, which disclosed unpaid taxes and penalties in the amount of \$58,624.38 as at November 29, 2022. Attached to my Affidavit as Exhibit "R" is a copy of the Tax Search for the 109 Street Lands.
29. On or about November 29, 2022, Priestner obtained a Tax Search from the City of Edmonton in relation to the Saskatchewan Drive Lands, which disclosed unpaid taxes and penalties in the amount of \$49,840.52 as at November 29, 2022. Attached to my Affidavit as Exhibit "S" is a copy of the Tax Search for the Saskatchewan Drive Lands.
30. On or about November 29, 2022, Priestner obtained a Tax Search from the City of Edmonton in relation to the 81 Avenue Lands, which disclosed unpaid taxes and penalties in the amount of \$49,269.62 as at November 29, 2022. Attached to my Affidavit as Exhibit "T" is a copy of the Tax Search for the 81 Avenue Lands.
31. 449 is in default of its obligations pursuant to the 449 Sale Agreement and 449 Mortgage by, among other things, failing to pay amounts owing to 449 as required pursuant to the 449 Mortgage, and failing to pay municipal tax arrears assessed by the City of Edmonton against the 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands. All amounts secured by the 449 Mortgage are due and owing.
32. On or about November 25, 2022, GP did demand payment of the 449 Indebtedness from 449, but 449 has failed or neglected and continues to fail or neglect to pay the 449 Indebtedness. Concurrent with the issuance of the demand for payment, GP did send to 449 a Notice of Intention to Enforce Security pursuant to section 244 of the *BIA*. Collectively attached to my Affidavit as Exhibit "U" are true copies of the demand and Notice of Intention to Enforce Security sent to 449.
33. On or about November 25, 2022, Priestner did demand payment of the First Turnip Indebtedness from Turnip, but Turnip has failed or neglected and continues to fail or neglect to pay the First Turnip Indebtedness. Attached to my Affidavit as Exhibit "V" is a true copy of the demand sent by Priestner to Turnip.
34. In failing to pay to Priestner the First Turnip Indebtedness, Turnip has defaulted in its obligations to Priestner pursuant to the First Turnip Guarantee.
35. On or about November 25, 2022, GP did demand payment of the Second Turnip Indebtedness from Turnip, but Turnip has failed or neglected and continues to fail or neglect to pay the Second Turnip Indebtedness. Attached to my Affidavit as Exhibit "W" is a true copy of the demand sent by GP to Turnip.
36. In failing to pay to GP the Second Turnip Indebtedness, Turnip has defaulted in its obligations to GP pursuant to the Second Turnip Guarantee.

37. On or about November 25, 2022, Priestner did demand payment of the First Kassaye Indebtedness from Kassaye, but Kassaye has failed or neglected and continues to fail or neglect to pay the First Kassaye Indebtedness. Attached to my Affidavit as Exhibit "X" is a true copy of the demand sent by Priestner to Kassaye.
38. In failing to pay to Priestner the First Kassaye Indebtedness, Kassaye has defaulted in his obligations to Priestner pursuant to the First Kassaye Guarantee.
39. On or about November 25, 2022, GP did demand payment of the Second Kassaye Indebtedness from Kassaye, but Kassaye has failed or neglected and continues to fail or neglect to pay the Second Kassaye Indebtedness. Attached to my Affidavit as Exhibit "Y" is a true copy of the demand sent by GP to Kassaye.
40. In failing to pay to GP the Second Kassaye Indebtedness, Kassaye has defaulted in his obligations to GP pursuant to the Second Kassaye Guarantee.

CONCERNS

41. Since the signing of the 430 Sale Agreement, 430 Mortgage, 449 Sale Agreement, and 449 Mortgage Agreement, 430 and 449 have made one global payment of \$140,000.00, and neither 430 nor 449 have made any payments towards their respective indebtedness since July 20, 2022. As a result, each of 430 and 449 are in significant mortgage arrears to Priestner and GP.
42. Priestner and GP have lost confidence in Kassaye's ability to manage and operate 430 and 449, or to promptly obtain refinancing to repay their respective indebtedness. Priestner and GP have attempted to reach a resolution with 430 and 449 in the months preceding the issuance of formal demands and Notices of Intention to Enforce Security, but Kassaye has generally failed to communicate with Priestner and GP in a timely manner, and Priestner and GP's patience has now been exhausted.
43. Priestner and GP have significant concern regarding the outstanding tax arrears and penalties assessed against the Jasper Avenue Lands, 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands, as they evidence that 430 and 449 are unable to cover operating expenses.
44. Priestner and GP have requested from 430 and 449 documentation establishing the utilities for the Jasper Avenue Lands, 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands are paid and current. 430 and 449 have advised, through their counsel, that there is a property manager maintaining the utilities, but Priestner and GP are concerned that no substantiating documents have been provided. As the collateral consists primarily of buildings, Priestner and GP have significant concerns about the maintaining of heat and electricity through the winter months.
45. Priestner and GP have concerns regarding the Certificate of Lis Pendens that has been registered against the Jasper Avenue Lands, 109 Street Lands, Saskatchewan Drive Lands, and 81 Avenue Lands, and the potential impact of the registration on 430 and 449's ability to re-finance the outstanding indebtedness.
46. 430 owes Priestner a significant amount, exceeding \$5,555,818.81, and I am of the view that 430 is not capable of repaying the arrears or the indebtedness to Priestner in the near future or at all.
47. 449 owes GP a significant amount, exceeding \$10,748,998.51, and I am of the view that 449 is not capable of repaying the arrears or the indebtedness to GP in the near future or at all.

48. The 430 Mortgage allows and provides for the appointment of a Receiver by Priestner upon an event of default, and multiple events of default have occurred.
49. The 449 Mortgage allows and provides for the appointment of a Receiver by GP upon an event of default, and multiple events of default have occurred.
50. The time periods applicable to the demands and notices served on the Defendants have expired and the Defendants have not satisfied the demands.
51. Priestner and GP's patience has now been exhausted, and as a result of all of the facts herein deposed to, I (and Priestner and GP through extension) am very concerned about the erosion of Priestner and GP's security and the preservation of the collateral subject to Priestner and GP's security interests.
52. I am respectfully of the view that it is just and convenient to appoint a Receiver in light of the above circumstances and that such an appointment is necessary for the protection of the estate of 430 and 449, and for the protection of Priestner and GP's interests.
53. Priestner and GP have directed their counsel, Nicholas C. Williams with Dentons Canada LLP, to speak with Kristin Gray of MNP Ltd. ("MNP") regarding that firm acting as a Receiver or Interim Receiver of the undertakings, assets, and properties of Priestner and GP. I am advised by Mr. Williams and do verily believe that Kristin Gray has confirmed that MNP is prepared to consent to act as Receiver or Interim Receiver in this matter. Priestner and GP support the appointment of MNP as the Receiver or Interim Receiver of the undertakings and property of 430 and 449.
54. I make this Affidavit *bona fide* in support of an application for the appointment of a Receiver over the undertakings, assets, and properties of 430 and 449.

SWORN BEFORE ME at the City of Edmonton, in)
 the Province of Alberta, this 6th day of December,)
 2022.)
)
)

 Commissioner for Oaths in and for the Province of
 Alberta

Kyle W. Runzer
Barrister and Solicitor

 CHRISTOPHER BURROWS

This is Exhibit "A" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

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

Date of Search: 2022/11/25
Time of Search: 01:36 PM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 38701250
Customer Reference Number:

Corporate Access Number: 2023994300
Business Number: 756017109
Legal Entity Name: 2399430 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2022/01/10 YYYY/MM/DD

Registered Office:

Street: 2200-10235 101 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3G1

Records Address:

Street: 2200-10235 101 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3G1

Email Address: EDM_CORPSUPPORT@MLTAINKINS.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
POPATIA	ALEEM		MLT AIKINS LLP	2200- 10235 101 ST NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAINKINS.COM

Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MERRICK	ADAM	D.	MLT AIKINS LLP	2200- 10235 101 ST NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAINKINS.COM

Directors:

Last Name: KASSAYE
First Name: HENOK
Middle Name: ABRAHA
Street/Box Number: 300-9316 82 AVENUE NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6C0Z6

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE ATTACHED SCHEDULE OF AUTHORIZED SHARE CAPITAL
Share Transfers Restrictions: SEE ATTACHED SCHEDULE OF RESTRICTIONS ON SHARE TRANSFERS
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE OF OTHER PROVISIONS

Other Information:**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2022/01/10	Incorporate Alberta Corporation
2022/01/10	Update Business Number Legal Entity

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2022/01/10
Restrictions on Share Transfers	ELECTRONIC	2022/01/10
Other Rules or Provisions	ELECTRONIC	2022/01/10

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



This is Exhibit "B" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

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

Date of Search: 2022/11/25
Time of Search: 01:36 PM
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
Service Request Number: 38701256
Customer Reference Number:

Corporate Access Number: 2023994490
Business Number: 756019501
Legal Entity Name: 2399449 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2022/01/10 YYYY/MM/DD

Registered Office:

Street: 2200, 10235 - 101 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3G1

Records Address:

Street: 2200, 10235 - 101 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3G1

Email Address: EDM_CORPSUPPORT@MLTAIKINS.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
POPATIA	ALEEM		MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

Alternative Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
MERRICK	ADAM	D.	MLT AIKINS LLP	2200, 10235 - 101 STREET NW	EDMONTON	ALBERTA	T5J3G1	EDM_CORPSUPPORT@MLTAIKINS.COM

Directors:

Last Name: KASSAYE
First Name: HENOK
Middle Name: ABRAHA
Street/Box Number: 300-9316 82 AVENUE NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6C0Z6

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE OF AUTHORIZED SHARE CAPITAL
Share Transfers Restrictions: SEE ATTACHED SCHEDULE OF RESTRICTIONS ON SHARE TRANSFERS
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE OF OTHER PROVISIONS

Other Information:

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2022/01/10	Incorporate Alberta Corporation
2022/01/10	Update Business Number Legal Entity


Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2022/01/10
Restrictions on Share Transfers	ELECTRONIC	2022/01/10
Other Rules or Provisions	ELECTRONIC	2022/01/10

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



This is Exhibit "C" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

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

Date of Search: 2022/11/25
 Time of Search: 01:37 PM
 Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD
 Service Request Number: 38701276
 Customer Reference Number:

Corporate Access Number: 2020443145
 Business Number: 722747482
 Legal Entity Name: TURNIP HOME INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
TURNIPHOME LTD.	2020/05/05

Legal Entity Status: Active
 Alberta Corporation Type: Named Alberta Corporation
 Registration Date: 2017/05/17 YYYY/MM/DD

Registered Office:

Street: 201, 2520 ELLWOOD DRIVE SW
 City: EDMONTON
 Province: ALBERTA
 Postal Code: T6X0A9

Records Address:

Street: 201, 2520 ELLWOOD DRIVE SW
 City: EDMONTON
 Province: ALBERTA
 Postal Code: T6X0A9

Email Address: CORPORATE@HKLAW.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
HILLENBRAND	MARK	E.	HILLENBRAND KOZICKI LLP	201, 2520 ELLWOOD DRIVE SW	EDMONTON	ALBERTA	T6X0A9	MHILLENBRAND@HKLAW.CA

Directors:

Last Name: KASSAYE
 First Name: HENOK
 Street/Box Number: #303, 2916-105A STREET
 City: EDMONTON
 Province: ALBERTA
 Postal Code: T6H4J4

Voting Shareholders:

Last Name: KASSAYE
First Name: HENOK
Street: #303, 2916-105A STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T6J4J4
Percent Of Voting Shares: 100

Details From Current Articles:**The information in this legal entity table supersedes equivalent electronic attachments**

Share Structure: SEE ATTACHED SCHEDULE 'A'

Share Transfers Restrictions: SUBJECT TO THE PROVISIONS OF A UNANIMOUS SHAREHOLDERS AGREEMENT, NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE SANCTION OF A MAJORITY OF THE DIRECTORS OF THE CORPORATION.

Min Number Of Directors: 1

Max Number Of Directors: 15

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE ATTACHED SCHEDULE 'B'

Holding Shares In:

Legal Entity Name
2336597 ALBERTA LTD.

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2022	2022/07/20

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2017/05/17	Incorporate Alberta Corporation
2020/02/22	Update BN
2020/05/05	Name Change Alberta Corporation
2022/07/20	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2017/05/17
Other Rules or Provisions	ELECTRONIC	2017/05/17

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



This is Exhibit "D" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

PURCHASE AND SALE AGREEMENT
(the "Agreement")

THIS AGREEMENT is made as of _____, 2021.

BETWEEN:

UNION BANK INN LTD.
(the "Vendor")

-and-

HENOK KASSAYE ON BEHALF OF AN ENTITY TO BE INCORPORATED
(the "Purchaser")

WHEREAS:

A. The Vendor is the legal and beneficial owner of the lands located in Edmonton, Alberta, legally known as:

PLAN F
LOT 6

(such land, together with all improvements situate thereon, referred to as the "Land").

B. The Purchaser wishes to purchase the Land from the Vendor, and the Vendor wishes to sell the Land to the Purchaser, on the terms and conditions contained herein.

IN CONSIDERATION

1. PURCHASE PRICE AND DEPOSIT

(a) The total purchase price for the Land (the "**Purchase Price**") shall be \$5,900,000.00, exclusive of GST and subject to the adjustments set forth in Section 2 herein, payable as follows:

- a. a non-refundable deposit in the amount of \$255,411.00, \$170,275.00 of which shall be paid by the Purchaser to the Vendor's solicitors by wire transfer within three (3) days of the date of execution hereof and \$85,136.00 of which shall be paid by the Purchaser to the Vendor's solicitors by wire transfer within seven (7) days of the date of execution hereof;
- b. \$425,685 by wire transfer delivered to the Vendor's solicitors on the Closing Date; and
- c. the balance of the Purchase Price in accordance with the terms of the mortgage to be executed in the form attached as Schedule A hereto (the "**Mortgage**").

(b) The balance of the Purchase Price secured by the Mortgage shall also be secured by a corporate guarantee, granted by Turnip Home Inc., in the form attached as Schedule B hereto (the "**Corporate Guarantee**"), which duly executed guarantee shall be delivered to the Vendor on or before Closing and a personal guarantee, granted by Henok Kassaye, in the form attached as Schedule C hereto (the "**Personal Guarantee**"), which duly executed guarantee shall be delivered to the Vendor on or before Closing.

Notwithstanding anything herein, if the transaction contemplated by this Agreement is not completed as a result of the default of the Vendor, the deposit shall be returned to the Purchaser and the Purchaser shall retain all of its rights and remedies at law and in equity against the Vendor.

2. CLOSING

- (a) The date of closing shall be at 12:00 p.m. (Edmonton time) on January 17, 2022 (hereinafter referred to as "**Closing**" or the "**Closing Date**"), upon which date all taxes, utilities and all other revenue and expenses with respect to the Land usually the subject of adjustment in connection with the sale of real estate similar to the Land shall be adjusted between the Purchaser and the Vendor, and for clarity the Closing Date will be for the benefit of the Purchaser.
- (b) The parties agree that the closing procedure to be followed shall in all respects follow the usual procedure for closing commercial real estate transactions in Alberta, on such reasonable trust conditions as would customarily be imposed in a similar transaction in Alberta.
- (c) The preparation of the closing documentation and any discharge of encumbrances against title to the Land which are not Permitted Encumbrances (defined below), shall be completed by the Vendor at its expense.

3. TITLE

Title to the Land shall be transferred on the Closing Date free and clear of all encumbrances excepting the Mortgage and the following permitted encumbrances (collectively, the "**Permitted Encumbrances**"):

Registration Number	Date of Registration
1251MI	23/06/1961
912 239 538	06/09/1991
972 046 791	18/02/1997
972 116 332	29/04/1997
122 292 603	05/09/2012

4. DELIVERIES

Within five (5) business days following the date of this Agreement, to the extent not already provided by the Vendor to the Purchaser, the Vendor shall deliver to the Purchaser copies of the following:

- (a) all current surveys, easement and right-of-way plans and other plans relating to the Land in the Vendor's possession or control;
- (b) copies of all tests and inspections and reports thereof relating to the Land, if any, including environmental, geotechnical and soil reports in the Vendor's possession or control;

- (c) any current governmental notices received by the Vendor relating to the Land, including tax bills and assessments, work order or deficiency notices, any notices relating to the zoning of the Land and any expropriation notices; and
- (d) all other documents and materials relating to the Land in the Vendor's possession or control.

5. CLOSING CONDITIONS

This Agreement is subject to the following mutual Closing Conditions (collectively, the “**Closing Conditions**”) being satisfied or waived in writing by the Vendor and Purchaser on or before the Closing Date:

- (a) the transaction(s) contemplated in the purchase and sale agreement between MPRE GP Dev Inc., as vendor, and Kassaye, on behalf of an entity to be registered, as purchaser, having closed (the “**Mutual Condition**”); and
- (b) the Purchaser's solicitors having submitted for registration a duly executed copy of the Mortgage and provided the Vendor's solicitor with a copy of a title insurance policy in favour of the Vendor which shall include gap coverage for registration of the Mortgage (the “**Vendor Condition**”).

The Mutual Condition is for the benefit of the Vendor and Purchaser and may be waived in writing at the sole discretion of either the Vendor or Purchaser. If the Vendor or Purchaser has satisfied or wishes to waive the Mutual Condition, it shall provide written notice to that effect to the other party on or before the Closing Date. The Vendor Condition is for the sole benefit of the Vendor and may be waived in writing at the Vendor's sole discretion on or before the Closing Date. If the Closing Conditions have not been satisfied or waived by the applicable parties in writing on or before the Closing Date, this Agreement shall be null and void and be of no further force or effect.

6. CANADIAN RESIDENT

The Vendor warrants that it is a resident of Canada for all of the purposes under the *Income Tax Act* (Canada) and in particular with respect to Section 116 thereof.

7. PROPERTY INFORMATION AND ACCESS

The Vendor shall permit the Purchaser and its authorized representatives reasonable access to the Land at any time after execution of this Agreement for the purpose of making soil, ground-water, environmental or other tests, measurements or surveys in, on or below the Land which the Purchaser in its sole discretion deems necessary, or such other purposes as required by the Purchaser, acting reasonably; provided that, the Purchaser shall do so at its own expense and at its own risk and shall not interfere with the operations of the Vendor and shall return the Land to the state in which it was before the commencement of such action. The Purchaser shall completely indemnify the Vendor against any and all damages or claims arising from the Purchaser's activities on the Land under this Section 7. The Vendor will promptly, at the Purchaser's request, execute and deliver any authorizations required by the Purchaser to permit statutory or governmental authorities to release information to the Purchaser concerning the Land or such other purposes as required by the Purchaser, acting reasonably.

8. VENDOR'S COVENANTS AND REPRESENTATIONS

- (a) The Vendor covenants that:
 - (i) Between the date of this Agreement and the Closing Date, the Vendor shall

continue to operate the Land as a prudent owner and in the best interests of a prudent owner; and

- (ii) Between the date of this Agreement and the Closing Date, the Vendor will not enter into any agreements with respect to the Land without the written consent of the Purchaser.
- (b) The Vendor hereby represents and warrants to the Purchaser (and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement and in concluding the purchase and sale of the Land), that:
- (i) the Vendor is a corporation duly organized and validly existing under the laws of Alberta, and has all necessary corporate power, authority and capacity to sell its interest in and to the Land to the Purchaser and to enter into all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;
 - (ii) the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Vendor and the consummation of the transactions contemplated hereby have been (or will be by the Closing Date) duly authorized by all necessary corporate action on the part of the Vendor;
 - (iii) neither the entering into nor the delivery of this Agreement nor the completion by the Vendor of the transactions contemplated hereby conflicts with, constitutes a material default under, or results in a material violation of the provisions of, the constating documents or by-laws of the Vendor.
 - (iv) the Vendor is the registered and beneficial owner of the Land and has good and marketable title to the Land, free and clear of all liens, charges and encumbrances whatsoever, save and except the Permitted Encumbrances and encumbrances to be discharged on Closing;
 - (v) the Vendor has not received written notice of any, and to the best of its knowledge, there is no, pending or threatened action or governmental proceeding relating to expropriation of the Land or any part thereof;
 - (vi) there is no action, suit, claim, litigation or proceeding pending or, to the knowledge of the Vendor, threatened against the Land, or the Vendor before any court, arbitration panel or administrative tribunal or agency which, if decided adversely to the Vendor, might materially affect the ability of the Vendor to perform any of its obligations under this Agreement or that would interfere with the use and enjoyment of the Land, or the Purchaser's right to own, occupy and develop the Land;
 - (vii) the Vendor has not entered into any agreement that would entitle any person to a valid claim against the Purchaser for any broker's commission, finder's fee or any similar payment with respect to the transfer or sale of the Land or any portion thereof to the Purchaser pursuant to this Agreement;
 - (viii) all property taxes that have been assessed and are due now or on or before the Closing Date with respect to the Land have, or on the Closing Date will have been, paid in full;
 - (ix) the Vendor has not received any work orders, stop orders or inspector's orders from any governmental authority with respect to the Land;

- (x) the Land and the use of every part thereof complies in all material respects with all laws, bylaws, codes, and regulations, whether federal, provincial, municipal or otherwise and all Permitted Encumbrances are in good standing;
- (xi) the Vendor has not entered into any agreement or obligation to construct or provide, or to pay any amount to any person concerning, off-site services, utilities or similar services concerning the Land, now or in the future;
- (xii) the Vendor has not entered into any agreement with any governmental authority having jurisdiction which would have the result of making the Land subject to any sewer charges, local improvement rates, arterial road assessments or levies or charges of a similar nature, other than is currently assessed;
- (xiii) the Vendor shall not, on the Closing Date, have any indebtedness to any person which might now or hereafter by operation of law or otherwise constitute a lien, charge or encumbrance on all or part of the Land or which could affect the Purchaser's right to own, occupy and obtain revenue from all or part of the Land;
- (xiv) to the knowledge of the Vendor, there are no hazardous substances on or in the Land or on any lands adjacent to the Land and the Vendor has not received notice of any contamination or breach of any environment law or regulation with respect to the Land;
- (xv) no default is existing on the part of the Vendor or on the part of any other party or parties under any of the Permitted Encumbrances that is an agreement with another party or parties and each of such Permitted Encumbrances is in good standing and the Vendor has not waived any rights against any other parties under any of the Permitted Encumbrances or agreed to any settlement or abatement of any future obligations thereunder;
- (xvi) the Vendor is entitled to assign each of the Permitted Encumbrances to the Purchaser without obtaining the consent of any other party;
- (xvii) all material financial transactions of the Vendor relating to the properties have been accurately recorded in the books, records and financial statements delivered by the Vendor to the Purchaser as part of the Deliveries; such financial statements have been prepared on a consolidated basis and in accordance with generally accepted accounting principles applied on a basis consistent with preceding periods except as stated in such financial statements or in the notes to such financial statements; the balance sheet contained in such financial statements fairly and correctly discloses the financial position of the properties as at the date of such balance sheet in all material respects and the statement of profit and loss contained in such financial statements fairly and correctly discloses the results of the operation of the properties for the periods indicated in all material respects; and
- (xviii) The Vendor has disclosed to the Purchaser, as part of this Agreement or contained in the Deliveries, all material information pertaining to the Lands within the Vendor's knowledge, whether solicited by the Purchaser or not. To the Vendor's knowledge, neither this Agreement nor any other document referred to in this Agreement nor any statement, schedule or certificate furnished or to be furnished to the Purchaser pursuant to this Agreement contains or will contain any untrue statement or omits or will omit to state a material fact.

The representations and warranties and indemnity contained in this Section shall survive the Closing Date and shall continue in full force and effect for the Purchaser's benefit for a period of twelve (12) months after the Closing Date.

The Vendor hereby agrees to indemnify and save the Purchaser harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Purchaser or which the Purchaser may suffer or incur as a result of, in respect of or arising out of (A) any non-performance or non-fulfilment of any covenant or agreement on the part of the Vendor contained in this Agreement, or (B) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor contained in this Agreement.

9. PURCHASER'S REPRESENTATIONS

The Purchaser hereby represents and warrants to the Vendor (and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement and in concluding the purchase and sale of the Land), that as of the date hereof and the Closing Date (unless otherwise stated):

- (a) the Purchaser shall prior to the Closing Date, be a corporation duly organized and validly existing under the laws of Alberta, is authorized to carry on business in the Province of Alberta, and has all necessary corporate power, authority and capacity to purchase the interest of the Vendor in and to the Land and to enter into all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;
- (b) the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the transactions contemplated hereby have been (or will be by the Closing Date) duly authorized by all necessary corporate action on the part of the Purchaser; and
- (c) neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the transactions contemplated hereby conflicts with, constitutes a material default under, or results in a material violation of the provisions of, the constating documents or by-laws of the Purchaser.

10. INSURANCE

Until the title to the Land is registered and/or conveyed in the name of the Purchaser and the completion of the transactions contemplated hereby, the Land shall be at the risk of the Vendor. If any loss or damage to the property occurs on or before the Closing Date, the Vendor shall promptly deliver a written notice (the "Notice of Loss") to the Purchaser specifying the nature and extent of the losses or damage.

- (a) If the estimated extent of any single occurrence of losses or damage to the property (as determined by the Vendor's arm's length architect, acting reasonably is less than or equal to 15% of the Purchase Price, the Purchaser shall have no right to terminate this Agreement. Instead, the Purchaser shall complete this Agreement on the Closing Date, shall receive the insurance proceeds in respect of such losses or damage (including the proceeds of rental interruption insurance, but only in respect of the period from and after the Closing Date), and the Vendor shall release its interest in any such insurance proceeds (other than the proceeds of rental interruption insurance in respect of the period prior to the Closing Date) and assign all such proceeds to the Purchaser. In addition, the Purchase Price shall be reduced by (i) the amount of the deductible under the Vendor's insurance coverage, if the Vendor has not already paid the deductible, and (ii) the amount, if any, by which the insurance proceeds available to the Purchaser are less than the aggregate of the losses and damage.

- (b) If the estimated extent of any single occurrence of losses or damage to the property (as determined by the Vendor's arm's length architect, acting reasonably) is greater than 15% of the value allocated to such property herein, the Purchaser may, within 10 Business Days following receipt of the Notice of Loss, in its sole discretion, by notice in writing to the Vendor, elect any one of the following options:
- i. the Purchaser shall receive any insurance proceeds in respect of such losses or damage (including the proceeds of rental interruption insurance, but only in respect of the period from and after the Closing Date) and the Vendor shall release its interest in any such insurance proceeds (other than the proceeds of rental interruption insurance in respect of the period prior to the Closing Date) and assign all such proceeds to the Purchaser. In addition, the Purchase Price shall be reduced by (i) the amount of the deductible under the Vendor's insurance coverage, if the Vendor has not already paid the deductible, and (ii) the amount, if any, by which the insurance proceeds available to the Purchaser are less than the aggregate of the losses and damage; or
 - ii. this Agreement shall be terminated and each party shall be released from all of its liabilities and obligations under this Agreement and the deposit shall be returned to the Purchaser forthwith without deduction.

11. INTELLECTUAL PROPERTY

To the extent that the Vendor owns or controls any proprietary interest in any Intellectual Property rights in respect of the Lands, or any of them, existing as of the date of this Agreement, the Vendor agrees to assign such Intellectual Property rights to the Purchaser on the Closing Date and to permit the Purchaser to continue to use such Intellectual Property rights from and after the Closing Date and agrees that it will do no act to prevent or hinder the Purchaser from using such Intellectual Property rights from and after the Closing Date.

12. ASSIGNMENT

The Purchaser may assign this Agreement to an affiliate of the Purchaser without the consent of the Vendor, on reasonable written notice to the Vendor. Nothing in this Agreement shall be construed as an assignment to the Purchaser of, or an attempt to assign to the Purchaser, any Permitted Encumbrance, Lease, or other agreement affecting the property that is (i) not assignable, (ii) that the Purchaser has not agreed to assume or (ii) not assignable without the approval or consent of the other party or parties thereto, without obtaining such approval or consent (collectively, the "**Non-Assignable Rights**"). In connection with such Non-Assignable Rights, the Vendor shall, at the request of the Purchaser and in each case at the Vendor's expense:

- (a) apply for and use all reasonable commercial efforts to obtain all consents or approvals required pursuant to the terms of the Permitted Encumbrances, Leases, or other agreements, in a form satisfactory to the Purchaser acting reasonably, provided that nothing in this Section shall require the Vendor to make any payment to any other party to any such document; and
- (b) co-operate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable Rights to the Purchaser, including without limitation holding any such Non-Assignable Rights in trust for the Purchaser or acting as agent for the Purchaser.

Notwithstanding anything herein, the Vendor shall not require the Purchaser to assume any agreement, other than the Permitted Encumbrances and the Leases, without consent of the of the Purchaser, in its sole discretion.

13. CLOSING DOCUMENTATION

- (a) The Vendor covenants to execute, where applicable, and deliver to the Purchaser's solicitor, at least ten (10) business days prior to the Closing Date, the following, all in form and substance consistent with the terms of this Agreement:
 - (i) a transfer, in favour of the Purchaser, of a 100% fee simple interest in the Land, in form acceptable for registration;
 - (ii) a statement of adjustments, calculating all debits and credits in accordance with Section 2(a) hereof;
 - (iii) a certificate signed by an officer of the Vendor dated as of the Closing Date certifying that all the representations and warranties of the Vendor set forth in this Agreement are true and correct and that the Vendor is not in breach of any of its covenants hereunder; and
 - (iv) such other documentation relating to the completion of the transaction contemplated by this Agreement as the Purchaser may reasonably require.
- (b) The Purchaser covenants to execute, where applicable, and deliver to the Vendor's solicitor, on or before the Closing Date, the following:
 - (i) the Purchase Price in accordance with Section 1(a) hereof;
 - (ii) a certificate signed by an officer of the Purchaser dated as of the Closing Date certifying that all the representations and warranties of the Purchaser set forth in this Agreement are true and correct and that the Purchaser is not in breach of any of its covenants hereunder;
 - (iii) a declaration to, and indemnity in favour of, the Vendor with respect to GST;
 - (iv) a duly executed copy of the Corporate Guarantee and Personal Guarantee; and
 - (v) such further documentation relating to the completion of the transaction contemplated by this Agreement as the Vendor may reasonably require.

14. NO COLLECTION OF GOODS AND SERVICES TAX

The Purchaser represents and warrants to the Vendor that the Purchaser is registered under the *Excise Tax Act* (Canada), as amended (the "Act") for the purposes of remitting GST on taxable supplies made by the Purchaser. Accordingly, the parties agree that no amount shall be remitted by the Purchaser to the Vendor in respect of any GST payable by the Purchaser in relation to its acquisition of the Land. The Purchaser shall deliver on Closing an undertaking to remit all applicable GST payable in connection with this transaction when and to the extent required by the Act, and an indemnity indemnifying the Vendor from any liability under the Act arising because of a breach of the obligations of the Purchaser set out in this Section or arising under the Act, together with all loss, costs and expenses resulting from such breach.

15. NOTIFICATION

All notices to be given to the Vendor and Purchaser under this Agreement shall be in writing and personally delivered or sent by fax or email as follows:

VENDOR:

10220 – 184 Street
Edmonton, Alberta T5S 0B9
Attention: Christopher Burrows
Fax No.: 587-400-0587
E-mail: cburrows@goauto.ca

with a copy to:

Dentons Canada LLP
2500 Stantec Tower
10220 – 103 Avenue
Edmonton, Alberta T5J 0K4
Attention: Ameen Tejani
Fax Number: 780-423-7276
E-mail: ameen.tejani@dentons.com

PURCHASER:

202, 10137-104 Street
Edmonton, Alberta T5J 0Z9
Attention: Henok Kassaye
Fax No.: ●
Email: henok@turniphome.com

with a copy to:

MLT Aikins LLP
Suite 2200
10235 – 101 Street
Edmonton, AB T5J 3G1
Attention: Aleem Popatia
Fax Number: 780-969-3549
Email: apopatia@mltaikins.com

16. GENERAL

The Vendor and Purchaser agree that:

- (a) Time shall be of the essence.
- (b) This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.
- (c) The obligations of all parties hereunder shall continue in full force and effect and shall not be deemed to be merged in any conveyance or conveyances to be given to the Purchaser.
- (d) This Agreement constitutes the entire agreement between the Vendor and the Purchaser with respect to the subject matter hereof and there are no representations, warranties, collateral agreements or conditions affecting the Land, or the agreement arising hereunder, other than as are set forth herein.
- (e) This Agreement shall be governed by the laws of the Province of Alberta.
- (f) Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by certified cheque, bank draft, wire transfer or solicitor's trust cheque.
- (g) In the event that any date established by or in accordance with this Agreement or any date of termination of a period of time set forth or referred to in this Agreement shall fall upon a day which is not a business day in Alberta, then such date shall be deemed to be the next following business day.
- (h) If any provision contained in this Agreement or its application to any person or

circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons of circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

17. FURTHER ASSURANCES

The Vendor and Purchaser covenant and agree to take all steps and sign all further documents as are reasonably required or necessary to give effect to the transactions set forth herein.

18. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be delivered by fax or email transmission; however, upon request by a party, the other shall deliver to the requesting party the originally executed Agreement.

[Remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

**HENOK KASSAYE ON BEHALF OF AN
ENTITY TO BE INCORPORATED**

Per: _____

A handwritten signature in black ink, appearing to be 'HK', written over a horizontal line.

UNION BANK INN LTD.

Per: _____

A handwritten signature in black ink, appearing to be 'T. K. S.', written over a horizontal line.

SCHEDULE A
Form of Mortgage

LAND TITLES ACT

MORTGAGE



TO

UNION BANK INN LTD.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of [●], the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
 - (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means [●], 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.5 hereof;
 - (j) "Mortgagee" means Union Bank Inn Ltd.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3 or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means [●].
 - (m) "Mortgagor's Address" means [●] or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$5,218,904 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagor to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV**4.1 Mortgagor's Representations and Warranties**

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V**5.1 Default**

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

The Mortgagee shall, within thirty (30) days of receipt of payment in full of the Mortgage Monies, provide to the Mortgagor a registrable a discharge of this Mortgage.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the

Mortgagor by the provisions of section 39 of the *Law of Property Act* (Alberta) and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and
 - (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a

rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.

- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act (Alberta)* and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

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

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

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act* (Alberta) and any amendments thereto or the *Law of Property Act* (Alberta) and any amendments thereto, as

a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.

- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on [●], 2022.

[●]

Per: _____
c/s

SCHEDULE A

Mortgaged Lands

Plan F
Lot 6

SCHEDULE B

Permitted Encumbrances

Instrument No. 1251MI

Instrument No. 912 239 538

Instrument No. 972 046 791

Instrument No. 972 116 332

Instrument No. 122 292 603

SCHEDULE C

Concurrent Mortgage

Mortgage dated [●], 2022, by [●] in favour of MPRE GP Dev Inc., with respect to the properties having the following municipal addresses: (i) 10315 – 109 Street, Edmonton, Alberta, (ii) 10507 Saskatchewan Drive, Edmonton, Alberta, (iii) 10505 81 Avenue, Edmonton, Alberta

SCHEDULE B

Form of Corporate Guarantee

GUARANTEE

TO: [●]

IN CONSIDERATION OF the payment obligations owed to [●] (the "**Creditor**") by [●] (the "**Obligor**") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "**Guarantor**"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor, together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "**Obligations**").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. Without prejudice to the generality of the foregoing provisions, the Guarantor agrees promptly to pay on demand of the Creditor all sums which may become due and payable, including (but not limited to) such sums as may become due and payable upon the Creditor accelerating the maturity of the Obligations in accordance with options provided thereunder and privileges under the terms of any instrument evidencing the existence of the Obligations, and whether the Creditor shall (at its absolute discretion) elect to demand, sue or recover each of such sums severally or by separate action as and when the same shall become due, or otherwise. The obligations of the Guarantor hereunder shall be direct and unconditional and independent of the obligations of the Obligor, and a separate action or actions may be brought and prosecuted against the Guarantor without the necessity of joining or previously proceeding against or exhausting any other remedy against the Obligor, or any securities then held in respect of the obligations or undertakings secured hereby.
2. In the event the Creditor enters into any agreement with the Obligor extending, renewing or otherwise amending the terms of repayment of the Obligations, then the Guarantor shall not be released thereby but shall remain bound by the terms hereof.
3. The Guarantor does hereby specifically waive any and all defenses to any action brought to enforce these presents or any part thereof at law or in equity except the defense that the sum claimed has actually been paid to the Creditor. Without limiting the generality of the foregoing in any way but merely by way of illustration, the Guarantor specifically waives any and all technical, dilatory and non-meritorious defenses and any defense predicated upon a disability on the part of the Obligor, or there having been a change or modification in the terms of the Obligations or any other security from time to time being held by the Creditor, or any of them, an indulgence or forbearance in the enforcement of any term thereof or any other document or instrument securing or affecting the said indebtedness, a release or change in part or the whole of any security from time to time being held by the Creditor whether for valuable consideration or otherwise, the acquiring of additional security or substitution of different security in exchange for portions of the original security and/or the fact that there may be persons other than the Guarantor responsible for the payment of the indebtedness.

4. It is also understood and agreed that the liability hereby assumed shall not be affected by the acceptance of any settlement or composition offered by the Obligor, either in liquidation, readjustment, receivership, bankruptcy or otherwise. It is further understood and agreed that the Creditor is not required to give notice to the Guarantor of any failure or omission on the part of the Obligor, to meet all payments or obligations as they mature.
5. The Guarantor does specifically waive any right to (a) demand, (b) protest, (c) notice of protest, (d) notice of non-payment or non-forbearance, (e) require the Creditor to proceed against the Obligor, (f) require the Creditor to proceed against or exhaust any security held from the Obligor, or (g) require the Creditor to pursue any other remedy in its power whatsoever.
6. The Guarantor agrees that until the Creditor shall have been repaid the Obligations in full, the Guarantor will not seek reimbursement or payment against the Obligor and that in the meantime all claims which the Guarantor may have against the Obligor shall stand subordinate to all claims of the Creditor against the Obligor.
7. These presents are to be construed as a continuing, binding, absolute and unconditional guarantee and indemnity which shall remain in full force and effect as written until the Creditor has actually been paid the Obligations and each and every part thereof, or until the Creditor, in writing agrees to the revocation of these presents. It is further stipulated and agreed that the Creditor may, without notice to or the consent of the Guarantor, assign these presents in whole or in part. These presents shall stand as a complete security and the Guarantor shall remain liable to the Creditor for repayment of the Obligations whether or not the Creditor shall have enforced any or all of its rights (and to whatever extent) and whether or not the Creditor shall have recovered all monies it may be able or entitled to receive thereunder, until the Obligations and each and every part thereof shall have been repaid to the Creditor in full. It is further agreed and understood that these presents are additional to any other security from time to time being held by the Creditor for the repayment of the Obligations and the Creditor shall not be placed at its election as to which (if any) security it wishes to enforce.
8. Without limiting the generality of the foregoing, it is agreed and understood that the Guarantor shall be liable hereunder as a principal party (and not only as surety). It is also understood and agreed that the Guarantor shall be liable to the full extent as if the Guarantor were party and signatory to the security documentation granted or to be granted by the Obligor, in all cases as principal and not as surety.
9. No failure or delay on the part of the Creditor in exercising any right or remedy under this Guarantee shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law, by statute, equity or otherwise conferred. No waiver of any provision of this Guarantee shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Creditor and then only for the particular instance for which it is so given. No notice to or demand on the Guarantor shall be deemed to be a waiver of the obligation of the Guarantor or of the right of the Creditor to take further action without notice or demand as provided herein.

10. The Guarantor acknowledges and agrees that the (A) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (B) change or changes in the name of, or (C) amalgamation, consolidation, merger or reorganization of any kind, of, or with respect to, the Obligor, the Guarantor or any other guarantor or person, shall not discharge, terminate, release, limit, reduce, lessen, impair or in any way affect the indebtedness, obligations and liabilities of the Guarantor under this Guarantee or otherwise subject the Creditor to a defence of any kind, including any defence of set-off, counterclaim or recoupment. Specifically, the Guarantor acknowledges and agrees that, if applicable, in the event it amalgamates with any other body corporate, the term "Guarantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that this Guarantee shall continue to be an obligation of each of the amalgamating companies and the amalgamated company.
11. The Guarantor also agrees to pay all reasonable legal fees and all other costs or expenses incurred by the Creditor in the enforcement and protection of these presents.
12. All rights and powers of the Creditor shall enure to its successors and assigns, and all agreements and obligations herein shall bind the Guarantor and its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed these presents on _____,
2022

TURNIP HOME INC.

Per: _____

SCHEDULE C

Form of Personal Guarantee

GUARANTEE

TO: [REDACTED]

IN CONSIDERATION OF the payment obligations owed to [REDACTED] (the "Creditor") by [REDACTED] (the "Obligor") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "Guarantor"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor (the "Mortgage"), together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "Obligations").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. This Guarantee shall be binding on the Guarantor, notwithstanding any defect in or omission from the Mortgage or any documents delivered in connection therewith, any incapacity (financial or otherwise), disability, ceasing to exist, liquidation, winding-up, dissolution, reorganization, change of control, bankruptcy, insolvency, creditor compromise or other circumstance whatsoever, whether similar or dissimilar, affecting the Obligor or the lack or limitation of status of or power of the Obligor or the directors thereof, or any irregularity, default or informality in the Mortgage. The Guarantor shall be and remain liable to the Creditor under this Guarantee in the event Mortgage are or become in whole or in part released, compromised or discharged by operation of law or otherwise. Further, the Guarantor shall be and remain liable to the Creditor under this Guarantee, notwithstanding any postponement provisions contained in the Mortgage and any further or other postponements or similar agreements or instruments given by the Creditor to or for the benefit of the Obligor.
2. The liability of the Guarantor hereunder shall be absolute and unconditional, the Guarantor shall for all purposes of the Guarantee, be regarded (and be deemed to be) in the same position as the principal debtor under the Mortgage, and the Guarantor hereby waives demand, presentment, protest and notice of default under the Mortgage. If the Obligor is in default of any of the payments or other obligations under the Mortgage, then the Guarantor shall forthwith on demand by the Creditor pay the Creditor all amounts due or accruing due under the Mortgage.
3. The Creditor may grant time, renewals, extensions, indulgences, releases and discharges to, take security (including other guarantees) from, and give the same up as well as give up any or all existing securities, abstain from taking securities from, perfecting securities of, accept compromises from and otherwise deal, with the Obligor and others and with all securities as the Creditor may see fit, and may apply all monies at any time received from the Obligor or others or from securities upon such part of the liabilities as the Creditor deems fit, and in all cases without lessening or limiting the liability of the Guarantor under this Guarantee, and no loss of or in respect of any securities received by the Creditor from the Obligor or others where they are occasioned by the fault of the Obligor or others shall in any way lessen or limit the liability of the Guarantor under this Guarantee.

4. The Creditor shall not be bound to exhaust its recourse against the Obligor or any other persons or any securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
5. All rights, powers and remedies of the Creditor hereunder and under the Mortgage shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given to the Creditor at law.
6. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Creditor under the Mortgage, and the Guarantor shall have no rights to be subrogated to any rights of the Creditor until the Creditor shall have received payment in full of all of the liabilities under this Guarantee and the Mortgage.
7. The Guarantee shall not be affected by the death or loss or diminution of capacity of the Guarantor.
8. Should any one or more of the provisions of this Guarantee be determined to be void, voidable, ultra vires, invalid, ineffective, illegal or unenforceable, all other provisions shall nevertheless remain valid and effective.
9. The Guarantor agrees that any legal fees and disbursements incurred by the Creditor in respect of the enforcement of and collection under this Guarantee shall be recoverable from the Guarantor on a solicitor/client full indemnity basis.
10. This Agreement shall be construed in accordance with the laws of the Province of Alberta and for the purposes of legal proceedings, this Guarantee shall be deemed to have been made in the Province of Alberta and to be performed there, and the courts of the Province of Alberta shall have not exclusive jurisdiction over all disputes that may arise under this Guarantee, provided always that nothing therein shall prevent the Creditor from proceeding in its election against the Guarantor in the courts of any other Province or Country.
11. This Guarantee shall extend to and enure to the benefit of the Creditor, its successors and assigns, and any heirs.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee, effective [●].

HENOK KASSAYE

**GUARANTEES ACKNOWLEDGMENT ACT
(SECTION 3)**

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Henok Kassaye, the guarantor in the guarantee dated effective [●], which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by _____, Barrister and Solicitor, at the City of Edmonton, in the Province of Alberta, this ____ day of _____, 2022.

NAME:
NOTARY PUBLIC AND MEMBER OF THE LAW SOCIETY
IN AND FOR THE PROVINCE OF ALBERTA

STATEMENT OF GUARANTOR

I am the person named in this certificate.

HENOK KASSAYE

LAND TITLES ACT
MORTGAGE

2399430 ALBERTA LTD.

TO

MIKE PRIESTNER REAL ESTATE INC.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of _____, 2021, the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
- (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means January 30, 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.4 hereof;
 - (j) "Mortgagee" means Mike Priestner Real Estate Inc.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3 or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means 2399430 Alberta Ltd.
 - (m) "Mortgagor's Address" means 300, 9316-82 Avenue, Edmonton AB T6C 0Z6 or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$5,218,904 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV

4.1 **Mortgagor's Representations and Warranties**

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V

5.1 **Default**

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

The Mortgagee shall, within thirty (30) days of receipt of payment in full of the Mortgage Monies, provide to the Mortgagor a registrable a discharge of this Mortgage.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the

Mortgagor by the provisions of section 39 of the *Law of Property Act* (Alberta) and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and
 - (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a

rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.

- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act* (Alberta) and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

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

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

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act (Alberta)* and any amendments thereto or the *Law of Property Act (Alberta)* and any amendments thereto, as

a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.

- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on January 27, 2022.

2399430 ALBERTA LTD.

Per: _____



SCHEDULE A

Mortgaged Lands

Plan F
Lot 6

SCHEDULE B

Permitted Encumbrances

Instrument No. 1251MI

Instrument No. 912 239 538

Instrument No. 972 046 791

Instrument No. 972 116 332

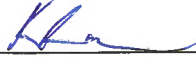
Instrument No. 122 292 603

SCHEDULE C

Concurrent Mortgage

Mortgage dated January 28, 2022, by 2399449 Alberta Ltd. in favour of MPRE GP Dev Inc., with respect to the properties having the following municipal addresses: (i) 10315 – 109 Street, Edmonton, Alberta, (ii) 10507 Saskatchewan Drive, Edmonton, Alberta, (iii) 10505 81 Avenue, Edmonton, Alberta

This is Exhibit "E" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

Mike Priestner Real Estate Inc.
 Kassaye Mortgage Receivable - 2022
 January 1 - November 30, 2022

	Union Bank Inn	MPRE GP DEV INC.	Total
Original Loan	5,218,904.00	10,106,096.00	15,325,000.00
Interest Expense	371,914.81	720,190.86	1,092,105.67
Other Expenses*			27,711.65
Penalties*	N/A	N/A	N/A
Payments			140,000.00
Total Outstanding	5,590,818.81	10,826,286.86	16,304,817.32

* Impark, Telusco, Property Taxes, Telus, Enmax

* No penalties charged as of date

This is Exhibit "F" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzel
Barrister and Solicitor

PURCHASE AND SALE AGREEMENT
(the "Agreement")

THIS AGREEMENT is made as of _____, 2021.

BETWEEN:

**GB MOTORS LIMITED PARTNERSHIP, 105 SASKATCHEWAN DRIVE LIMITED PARTNERSHIP and
SCONA GARAGE LIMITED PARTNERSHIP**
(collectively, the "Vendor")

-and-

HENOK KASSAYE ON BEHALF OF AN ENTITY TO BE REGISTERED
(the "Purchaser")

WHEREAS:

- A. The Vendor is the legal owner of the three properties located in Edmonton, Alberta, legally known as, respectively:

PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS
(together with all improvements situate thereon, "Scona Garage")

PLAN I2
BLOCK 103
LOT 6
together with all improvements situate thereon, "105 Sask Drive")

PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS
(together with all improvements situate thereon, "109 Street")

- B. Scona Garage, 105 Sask Drive and 109 Street are collectively referred to herein as the "Land".
- C. MPRE GP DEV INC. (the "General Partner"), in its capacity as general partner of the Vendor, holds title to Scona Garage, 105 Sask Drive and 109 Street, respectively, on behalf of Scona Garage Limited Partnership, 105 Saskatchewan Drive Limited Partnership and GB Motors Limited Partnership, respectively.
- D. The Purchaser wishes to purchase the Land from the Vendor, and the Vendor wishes to sell the Land to the Purchaser, on the terms and conditions contained herein.

IN CONSIDERATION

1. PURCHASE PRICE AND DEPOSIT

- (a) The total purchase price for the Land (the "Purchase Price") shall be \$11,425,000,

exclusive of GST and subject to the adjustments set forth in Section 2 herein, payable as follows:

- a. a non-refundable deposit in the amount of \$494,589, \$329,725 of which shall be paid by the Purchaser to the Vendor's solicitors by wire transfer within three (3) days of the date of execution hereof and \$164,864 of which shall be paid by the Purchaser to the Vendor's solicitors by wire transfer within seven (7) days of the date execution hereof;
 - b. \$824,315 by wire transfer delivered to the Vendor's solicitors on the Closing Date; and
 - c. the balance of the Purchase Price in accordance with the terms of the mortgage to be executed in the form attached as Schedule A hereto (the "**Mortgage**").
- (b) The balance of the Purchase Price secured by the Mortgage shall also be secured by a corporate guarantee, granted by Turnip Home Inc., in the form attached as Schedule B hereto (the "**Corporate Guarantee**"), which duly executed guarantee shall be delivered to the Vendor on or before Closing and a personal guarantee, granted by Henok Kassaye, in the form attached as Schedule C hereto (the "**Personal Guarantee**"), which duly executed guarantee shall be delivered to the Vendor on or before Closing.
- (c) The Purchaser and the Vendor shall agree on a reasonable allocation of the Purchase Price as between Scona Garage, 105 Sask Drive and 109 Street on or before Closing, failing which agreement the Purchase Price shall be allocated equally among the said properties.

Notwithstanding anything herein, if the transaction contemplated by this Agreement is not completed as a result of the default of the Vendor, the deposit shall be returned to the Purchaser and the Purchaser shall retain all of its rights and remedies at law and in equity against the Vendor.

2. CLOSING

- (a) The date of closing shall be at 12:00 p.m. (Edmonton time) on January 17, 2022 (hereinafter referred to as "**Closing**" or the "**Closing Date**"), upon which date all taxes, utilities and all other revenue and expenses with respect to the Land usually the subject of adjustment in connection with the sale of real estate similar to the Land, including without limitation rental income, security deposits and operating and other costs recoverable from any Tenants, shall be adjusted between the Purchaser and the Vendor, and for clarity the Closing Date will be for the benefit of the Purchaser.
- (b) The parties agree that the closing procedure to be followed shall in all respects follow the usual procedure for closing commercial real estate transactions in Alberta, on such reasonable trust conditions as would customarily be imposed in a similar transaction in Alberta.
- (c) The preparation of the closing documentation and any discharge of encumbrances against title to the Land which are not Permitted Encumbrances (defined below), shall be completed by the Vendor at its expense.

3. TITLE

Title to the Land shall be transferred on the Closing Date free and clear of all encumbrances excepting the Mortgage and the following permitted encumbrances (collectively, the "**Permitted**

Encumbrances”):

- (a) With respect to Scona Garage:

Registration Number	Date of Registration
5456UM	29/04/1974
202 256 088	18/11/2020
212 110 132	15/05/2021
212 110 133	15/05/2021

- (b) With respect to 105 Sask Drive: Nil
(c) With respect to 109 Street: Nil

4. DELIVERIES

Within five (5) business days following the date of this Agreement, to the extent not already provided by the Vendor to the Purchaser, the Vendor shall deliver to the Purchaser copies of the following (the “Deliveries”):

- (d) all current surveys, easement and right-of-way plans and other plans relating to the Land in the Vendor's possession or control;
- (e) copies of all tests and inspections and reports thereof relating to the Land, if any, including environmental, geotechnical and soil reports in the Vendor's possession or control;
- (f) any current governmental notices received by the Vendor relating to the Land, including tax bills and assessments, work order or deficiency notices, any notices relating to the zoning of the Land and any expropriation notices; and
- (g) all other documents and materials relating to the Land in the Vendor's possession or control.

5. CLOSING CONDITIONS

This Agreement is subject to the following mutual Closing Conditions (collectively, the “**Closing Conditions**”) being satisfied or waived in writing by the Vendor and Purchaser on or before the Closing Date:

- (a) the transaction(s) contemplated in the purchase and sale agreement between Union Bank Inn Ltd., as vendor, and Henok Kassaye on behalf of an entity to be registered, as purchaser, having closed (the “**Mutual Condition**”); and
- (b) the Purchaser's solicitors having submitted for registration a duly executed copy of the Mortgage and provided the Vendor's solicitor with a copy of a title insurance policy in favour of the Vendor which shall include gap coverage for registration of the Mortgage (the “**Vendor Condition**”).

The Mutual Condition is for the benefit of the Vendor and Purchaser and may be waived in writing at the sole discretion of either the Vendor or Purchaser. If the Vendor or Purchaser has satisfied

or wishes to waive the Mutual Condition, it shall provide written notice to that effect to the other party on or before the Closing Date. The Vendor Condition is for the sole benefit of the Vendor and may be waived in writing at the Vendor's sole discretion on or before the Closing Date. If the Closing Conditions have not been satisfied or waived by the applicable parties in writing on or before the Closing Date, this Agreement shall be null and void and be of no further force or effect.

6. CANADIAN RESIDENT

The Vendor warrants that it is a resident of Canada for all of the purposes under the *Income Tax Act* (Canada) and in particular with respect to Section 116 thereof.

7. PROPERTY INFORMATION AND ACCESS

The Vendor shall permit the Purchaser and its authorized representatives reasonable access to the Land at any time after execution of this Agreement for the purpose of making soil, ground-water, environmental or other tests, measurements or surveys in, on or below the Land which the Purchaser in its sole discretion deems necessary, or such other purposes as required by the Purchaser, acting reasonably; provided that, the Purchaser shall do so at its own expense and at its own risk and shall not interfere with the operations of the Vendor and shall return the Land to the state in which it was before the commencement of such action. The Purchaser shall completely indemnify the Vendor against any and all damages or claims arising from the Purchaser's activities on the Land under this Section 7. The Vendor will promptly, at the Purchaser's request, execute and deliver any authorizations required by the Purchaser to permit statutory or governmental authorities to release information to the Purchaser concerning the Land, or such other purposes as required by the Purchaser, acting reasonably.

8. VENDOR'S COVENANTS AND REPRESENTATIONS

- (a) The Vendor covenants that:
 - (i) Between the date of this Agreement and the Closing Date, the Vendor shall continue to operate the Land as a prudent owner and in the best interests of a prudent owner;
 - (ii) Between the date of this Agreement and the Closing Date, the Vendor will not enter into any agreements with respect to the Land without the written consent of the Purchaser; and
 - (iii) continuously and promptly notify the Purchaser in writing of any defaults by any tenants under any payment provisions or under any other material provisions of any leases (the "Leases").
- (b) The Vendor hereby represents and warrants to the Purchaser (and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement and in concluding the purchase and sale of the Land), that:
 - (i) the Vendor is a limited partnership, duly organized and validly existing under the laws of Alberta;
 - (ii) the General Partner is a corporation duly organized and validly existing under the laws of Alberta;
 - (iii) the Vendor and the General Partner, in its capacity as general partner of the Vendor, has the full power, authority, legal right and capacity to sell its interest in and to the Land to the Purchaser and to enter into all other agreements

contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;

- (iv) the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Vendor and the consummation of the transactions contemplated hereby have been (or will be by the Closing Date) duly authorized by all necessary action on the part of the Vendor and have been properly executed and delivered;
- (v) neither the entering into nor the delivery of this Agreement nor the completion by the Vendor of the transactions contemplated hereby conflicts with, constitutes a material default under, or results in a material violation of the provisions of, the constating documents or by-laws of the Vendor.
- (vi) the General Partner is the registered owner of the Land, who on behalf of the beneficial owner, the Vendor, is the registered owner of the Land and has good and marketable title to the Land, free and clear of all liens, charges and encumbrances whatsoever, save and except the Permitted Encumbrances and encumbrances to be discharged on Closing;
- (vii) the Vendor or General Partner has not received written notice of any, and to the best of its knowledge, there is no, pending or threatened action or governmental proceeding relating to expropriation of the Land or any part thereof;
- (viii) there is no action, suit, claim, litigation or proceeding pending or, to the knowledge of the Vendor, threatened against the Land, or the Vendor before any court, arbitration panel or administrative tribunal or agency which, if decided adversely to the Vendor, might materially affect the ability of the Vendor to perform any of its obligations under this Agreement or that would interfere with the use and enjoyment of the Land, or the Purchaser's right to own, occupy and develop the Land;
- (ix) the Vendor or General Partner has not entered into any agreement that would entitle any person to a valid claim against the Purchaser for any broker's commission, finder's fee or any similar payment with respect to the transfer or sale of the Land or any portion thereof to the Purchaser pursuant to this Agreement;
- (x) all property taxes that have been assessed and are due now or on or before the Closing Date with respect to the Land have, or on the Closing Date will have been, paid in full;
- (xi) the Vendor has not received any work orders, stop orders or inspector's orders from any governmental authority with respect to the Land;
- (xii) the Land and the use of every part thereof complies in all material respects with all laws, bylaws, codes, and regulations, whether federal, provincial, municipal or otherwise and all Permitted Encumbrances are in good standing;
- (xiii) the Vendor or General Partner has not entered into any agreement or obligation to construct or provide, or to pay any amount to any person concerning, off-site services, utilities or similar services concerning the Land, now or in the future;
- (xiv) the Vendor or General Partner has not entered into any agreement with any governmental authority having jurisdiction which would have the result of making the Land subject to any sewer charges, local improvement rates, arterial road

assessments or levies or charges of a similar nature, other than is currently assessed;

- (xv) the Vendor shall not, on the Closing Date, have any indebtedness to any person which might now or hereafter by operation of law or otherwise constitute a lien, charge or encumbrance on all or part of the Land or which could affect the Purchaser's right to own, occupy and obtain revenue from all or part of the Land;
- (xvi) to the knowledge of the Vendor, there are no hazardous substances on or in the Land or on any lands adjacent to the Land and the Vendor has not received notice of any contamination or breach of any environment law or regulation with respect to the Land;
- (xvii) the Leases listed in the rent rolls delivered as part of the Deliveries are the only agreements governing the relationship between the Vendor, as landlord, and each Tenant, as tenant, including the lease or license of any storage space or parking spaces and each of the Leases is valid and subsisting, in full force and effect and unmodified by oral or written agreement except as specifically disclosed and notified to the Purchaser as part of the Deliveries;
- (xviii) except as otherwise apparent in the terms of such Lease, the Tenant under each Lease is in occupation of the premises demised pursuant to such Lease and is paying the full rent due in accordance with the terms of such Lease and no default is existing on the part of the landlord or on the part of any Tenant under any of the Leases and each of the Leases is in good standing;
- (xix) there are no outstanding claims, complaints or disputes with respect to any of the Leases and no Tenant has claimed any set-off or abatement of any future rent or obligations thereunder and the Vendor has not waived any rights against any Tenant under any of the Leases or agreed to any settlement or abatement of any future rent or obligations;
- (xx) the Vendor is entitled to assign each of the Leases to the Purchaser without obtaining the consent of any Tenant and none of the Leases has been assigned or encumbered to or in favour of any person;
- (xxi) there are no prepaid rents, security deposits or other prepaid amounts paid by any Tenants and held by the Vendor other than as specifically disclosed and notified to the Purchaser as part of the Deliveries;
- (xxii) except as otherwise apparent in the terms of such Lease, no Tenant is entitled to any rent free occupancy of all or any part of its demised premises and all outstanding costs in respect of leasing commissions, tenant allowances, lease take-over obligations, landlord's work and other tenant inducements under the Leases have been paid in full by the Vendor;
- (xxiii) no default is existing on the part of the Vendor or on the part of any other party or parties under any of the Permitted Encumbrances that is an agreement with another party or parties and each of such Permitted Encumbrances is in good standing and the Vendor has not waived any rights against any other parties under any of the Permitted Encumbrances or agreed to any settlement or abatement of any future obligations thereunder;

- (xxiv) the Vendor is entitled to assign each of the Permitted Encumbrances to the Purchaser without obtaining the consent of any other party;
- (xxv) all material financial transactions of the Vendor relating to the properties have been accurately recorded in the books, records and financial statements delivered by the Vendor to the Purchaser as part of the Deliveries; such financial statements have been prepared on a consolidated basis and in accordance with generally accepted accounting principles applied on a basis consistent with preceding periods except as stated in such financial statements or in the notes to such financial statements; the balance sheet contained in such financial statements fairly and correctly discloses the financial position of the properties as at the date of such balance sheet in all material respects and the statement of profit and loss contained in such financial statements fairly and correctly discloses the results of the operation of the properties for the periods indicated in all material respects; and
- (xxvi) The Vendor has disclosed to the Purchaser, as part of this Agreement or contained in the Deliveries, all material information pertaining to the Lands within the Vendor's knowledge, whether solicited by the Purchaser or not. To the Vendor's knowledge, neither this Agreement nor any other document referred to in this Agreement nor any statement, schedule or certificate furnished or to be furnished to the Purchaser pursuant to this Agreement contains or will contain any untrue statement or omits or will omit to state a material fact.

The representations and warranties and indemnity contained in this Section shall survive the Closing Date and shall continue in full force and effect for the Purchaser's benefit for a period of twelve (12) months after the Closing Date.

The Vendor hereby agrees to indemnify and save the Purchaser harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense which may be made or brought against the Purchaser or which the Purchaser may suffer or incur as a result of, in respect of or arising out of (A) any non-performance or non-fulfilment of any covenant or agreement on the part of the Vendor contained in this Agreement, or (B) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor contained in this Agreement.

9. PURCHASER'S REPRESENTATIONS

The Purchaser hereby represents and warrants to the Vendor (and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement and in concluding the purchase and sale of the Land), that as of the date hereof and the Closing Date (unless otherwise stated):

- (a) the Purchaser shall prior to the Closing Date, be a limited partnership registered pursuant to the laws of Alberta, is authorized to carry on business in the Province of Alberta, and has all necessary power, authority and capacity to purchase the interest of the Vendor in and to the Land and to enter into all other agreements contemplated by this Agreement and to perform its obligations under this Agreement and all other agreements contemplated by this Agreement;
- (b) the execution and delivery of this Agreement and all other agreements contemplated by this Agreement by the Purchaser and the consummation of the transactions contemplated hereby have been (or will be by the Closing Date) duly authorized by all necessary corporate action on the part of the Purchaser; and

- (c) neither the entering into nor the delivery of this Agreement nor the completion by the Purchaser of the transactions contemplated hereby conflicts with, constitutes a material default under, or results in a material violation of the provisions of, the constating documents or by-laws of the Purchaser.

10. INSURANCE

Until the title to the Land is registered and/or conveyed in the name of the Purchaser and the completion of the transactions contemplated hereby, the Land shall be at the risk of the Vendor. If any loss or damage to any of the properties occurs on or before the Closing Date, the Vendor shall promptly deliver a written notice (the "Notice of Loss") to the Purchaser specifying the nature and extent of the losses or damage.

- (a) If the estimated extent of any single occurrence of losses or damage to any individual property (as determined by the Vendor's arm's length architect, acting reasonably) is less than or equal to 15% of the value allocated to such property herein, the Purchaser shall have no right to terminate this Agreement or to require that such property be deleted from this Agreement. Instead, the Purchaser shall complete this Agreement on the Closing Date, shall receive the insurance proceeds in respect of such losses or damage (including the proceeds of rental interruption insurance, but only in respect of the period from and after the Closing Date), and the Vendor shall release its interest in any such insurance proceeds (other than the proceeds of rental interruption insurance in respect of the period prior to the Closing Date) and assign all such proceeds to the Purchaser. In addition, the Purchase Price shall be reduced by (i) the amount of the deductible under the Vendor's insurance coverage, if the Vendor has not already paid the deductible, and (ii) the amount, if any, by which the insurance proceeds available to the Purchaser are less than the aggregate of the losses and damage.
- (b) If the estimated extent of any single occurrence of losses or damage to any individual property (as determined by the Vendor's arm's length architect, acting reasonably) or if the value of any individual Property is greater than 15% of the value allocated to such property herein, the Purchaser may, within 10 Business Days following receipt of the Notice of Loss, in its sole discretion, by notice in writing to the Vendor, elect any one of the following options:
 - i. the Purchaser shall receive any insurance proceeds in respect of such losses or damage (including the proceeds of rental interruption insurance, but only in respect of the period from and after the Closing Date) or expropriation proceeds, and the Vendor shall release its interest in any such insurance proceeds (other than the proceeds of rental interruption insurance in respect of the period prior to the Closing Date) or expropriation proceeds and assign all such proceeds to the Purchaser. In addition, the Purchase Price shall be reduced by (i) the amount of the deductible under the Vendor's insurance coverage, if the Vendor has not already paid the deductible, and (ii) the amount, if any, by which the insurance proceeds available to the Purchaser are less than the aggregate of the losses and damage; or
 - ii. this Agreement shall be terminated and each party shall be released from all of its liabilities and obligations under this Agreement and the Deposit (or such portion of the Deposit as has been delivered), together with all interest accrued thereon, shall be returned to the Purchaser forthwith without deduction.

11. INTELLECTUAL PROPERTY RIGHTS

To the extent that the Vendor owns or controls any proprietary interest in any Intellectual Property

rights in respect of the Lands, or any of them, existing as of the date of this Agreement, the Vendor agrees to assign such Intellectual Property rights to the Purchaser on the Closing Date and to permit the Purchaser to continue to use such Intellectual Property rights from and after the Closing Date and agrees that it will do no act to prevent or hinder the Purchaser from using such Intellectual Property rights from and after the Closing Date.

12. ASSIGNMENT

The Purchaser may assign this Agreement to an affiliate of the Purchaser without the consent of the Vendor, on reasonable written notice to the Vendor. Nothing in this Agreement shall be construed as an assignment to the Purchaser of, or an attempt to assign to the Purchaser, any Permitted Encumbrance, Lease, or other agreement affecting the properties or any of them that is (i) not assignable, (ii) that the Purchaser has not agreed to assume or (ii) not assignable without the approval or consent of the other party or parties thereto, without obtaining such approval or consent (collectively, the "Non-Assignable Rights"). In connection with such Non-Assignable Rights, the Vendor shall, at the request of the Purchaser and in each case at the Vendor's expense:

(a) apply for and use all reasonable commercial efforts to obtain all consents or approvals required pursuant to the terms of the Permitted Encumbrances, Leases, or other agreements, in a form satisfactory to the Purchaser acting reasonably, provided that nothing in this Section shall require the Vendor to make any payment to any other party to any such document; and

(b) co-operate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Non-Assignable Rights to the Purchaser, including without limitation holding any such Non-Assignable Rights in trust for the Purchaser or acting as agent for the Purchaser.

Notwithstanding anything herein, the Vendor shall not require the Purchaser to assume any agreement, other than the Permitted Encumbrances and the Leases, without consent of the of the Purchaser, in its sole discretion.

13. CLOSING DOCUMENTATION

(a) The Vendor covenants to execute, where applicable, and deliver to the Purchaser's solicitor, at least ten (10) business days prior to the Closing Date, the following, all in form and substance consistent with the terms of this Agreement:

- (i) a transfer, in favour of the Purchaser, of a 100% fee simple interest in the Land, in form acceptable for registration;
- (ii) a statement of adjustments, calculating all debits and credits in accordance with Section 2(a) hereof;
- (iii) a certificate signed by an officer of the Vendor dated as of the Closing Date certifying that all the representations and warranties of the Vendor set forth in this Agreement are true and correct and that the Vendor is not in breach of any of its covenants hereunder;
- (iv) such other documentation relating to the completion of the transaction contemplated by this Agreement as the Purchaser may reasonably require; and
- (v) The Vendor shall deliver to the Purchaser tenant estoppel certificates from all of the Tenants of the properties dated as of a date not more than 15 days prior to the Closing Date. Prior to sending out the forms of tenant estoppel certificates to

the Tenants, the Vendor shall provide such forms to the Purchaser for its review. As executed tenant estoppel certificates are received from the Tenants, the Vendor shall promptly and continuously provide copies to the Purchaser in the period prior to the Closing Date.

- (b) The Purchaser covenants to execute, where applicable, and deliver to the Vendor's solicitor, on or before the Closing Date, the following:
- (i) the Purchase Price in accordance with Section 1(a) hereof;
 - (ii) a certificate signed by an officer of the Purchaser dated as of the Closing Date certifying that all the representations and warranties of the Purchaser set forth in this Agreement are true and correct and that the Purchaser is not in breach of any of its covenants hereunder;
 - (iii) a declaration to, and indemnity in favour of, the Vendor with respect to GST;
 - (iv) a duly executed copy of the Corporate Guarantee and Personal Guarantee; and
 - (v) such further documentation relating to the completion of the transaction contemplated by this Agreement as the Vendor may reasonably require.

14. NO COLLECTION OF GOODS AND SERVICES TAX

The Purchaser represents and warrants to the Vendor that the Purchaser is registered under the *Excise Tax Act* (Canada), as amended (the "Act") for the purposes of remitting GST on taxable supplies made by the Purchaser. Accordingly, the parties agree that no amount shall be remitted by the Purchaser to the Vendor in respect of any GST payable by the Purchaser in relation to its acquisition of the Land. The Purchaser shall deliver on Closing an undertaking to remit all applicable GST payable in connection with this transaction when and to the extent required by the Act, and an indemnity indemnifying the Vendor from any liability under the Act arising because of a breach of the obligations of the Purchaser set out in this Section or arising under the Act, together with all loss, costs and expenses resulting from such breach.

15. NOTIFICATION

All notices to be given to the Vendor and Purchaser under this Agreement shall be in writing and personally delivered or sent by fax or email as follows:

VENDOR:

10220 – 184 Street
Edmonton, Alberta T5S 0B9
Attention: Christopher Burrows
Fax No.: 587-400-0587
E-mail: cburrows@goauto.ca

with a copy to:

Dentons Canada LLP
2500 Stantec Tower
10220 – 103 Avenue
Edmonton, Alberta T5J 0K4
Attention: Ameen Tejani
Fax Number: 780-423-7276

PURCHASER:

202, 10137-104 Street
Edmonton, Alberta T5J 0Z9
Attention: Henok Kassaye
Fax No.: ●
Email: henok@turniphome.com

with a copy to:

MLT Aikins LLP
Suite 2200
10235 – 101 Street
Edmonton, AB T5J 3G1
Attention: Aleem Popatia
Fax Number: 780-969-3549

16. GENERAL

The Vendor and Purchaser agree that:

- (a) Time shall be of the essence.
- (b) This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.
- (c) The obligations of all parties hereunder shall continue in full force and effect and shall not be deemed to be merged in any conveyance or conveyances to be given to the Purchaser.
- (d) This Agreement constitutes the entire agreement between the Vendor and the Purchaser with respect to the subject matter hereof and there are no representations, warranties, collateral agreements or conditions affecting the Land, or the agreement arising hereunder, other than as are set forth herein.
- (e) This Agreement shall be governed by the laws of the Province of Alberta.
- (f) Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by certified cheque, bank draft, wire transfer or solicitor's trust cheque.
- (g) In the event that any date established by or in accordance with this Agreement or any date of termination of a period of time set forth or referred to in this Agreement shall fall upon a day which is not a business day in Alberta, then such date shall be deemed to be the next following business day.
- (h) If any provision contained in this Agreement or its application to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

17. FURTHER ASSURANCES

The Vendor and Purchaser covenant and agree to take all steps and sign all further documents as are reasonably required or necessary to give effect to the transactions set forth herein.

18. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. This Agreement may be delivered by fax or email transmission; however, upon request by a party, the other shall deliver to the requesting party the originally executed Agreement.

[Remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

**HENOK KASSAYE ON BEHALF OF AN
ENTITY TO BE REGISTERED**

Per:  _____

**GB MOTORS LIMITED PARTNERSHIP BY ITS
GENERAL PARTNER MPRE GP DEV INC.**

Per:  _____

**105 SASKATCHEWAN DRIVE LIMITED
PARTNERSHIP BY ITS GENERAL PARTNER
MPRE GP DEV INC.**

Per:  _____

**SCONA GARAGE LIMITED PARTNERSHIP BY
ITS GENERAL PARTNER MPRE GP DEV INC.**

Per:  _____

SCHEDULE A
Form of Mortgage

LAND TITLES ACT

MORTGAGE



TO

MPRE GP DEV INC.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of [●] (the "PSA"), the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
 - (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means [●], 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.5 hereof;
 - (j) "Mortgagee" means MPRE GP Dev Inc.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3, or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means [●].
 - (m) "Mortgagor's Address" means [●] or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$10,106,096 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagor to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV**4.1 Mortgagor's Representations and Warranties**

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V**5.1 Default**

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

Provided that the Mortgagor is not in default pursuant to this Mortgage and the Concurrent Mortgage, the Mortgagor shall be entitled to a partial discharge of this Mortgage against a portion of the Lands (the "Discharged Property") upon payment of 95% of the amount allocated to the Discharged Property in the PSA (the "Discharge Amount"). All monies received by the Mortgagee pursuant to this Section shall be applied in reduction of the Principal Sum and not in payment of accrued interest. The Mortgage shall within thirty (30) days of receipt of payment in full of the Discharge Amount, provide to the Mortgagor a registrable a discharge of this Mortgage as against the Discharged Property.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of section 39 of the *Law of Property Act* (Alberta) and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and

- (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.
- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act* (Alberta) and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

- (a) If the Lands or any part thereof are condemned under any power of eminent domain or are acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Mortgage Monies and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands are taken in the expropriation without resulting

damage to the buildings and improvements or any part thereof, or if a portion of the Lands is taken in such expropriation proceedings with resulting damage to the buildings and improvements and the amount of the award made therein is based on a determination that the portion of the buildings and improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated, then the provisions of this Mortgage relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act* (Alberta) and any amendments thereto or the *Law of Property Act* (Alberta) and any amendments thereto, as a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.
- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on [●], 2022.

[●]

Per: _____
c/s

SCHEDULE A

Mortgaged Lands

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**PLAN I2
BLOCK 103
LOT 6**

SCHEDULE B

Permitted Encumbrances

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Nil

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Instrument No. 5456UM

Instrument No. 202 256 088

Instrument No. 212 110 132

Instrument No. 212 110 133

**PLAN I2
BLOCK 103
LOT 6**

Nil

SCHEDULE C

Concurrent Mortgage

Mortgage dated [●], 2022, by [●] in favour of Union Bank Inn Ltd., with respect to the property having the following municipal address: 10053 Jasper Avenue, Edmonton, AB.

SCHEDULE B

Form of Corporate Guarantee

GUARANTEE

TO: [REDACTED]

IN CONSIDERATION OF the payment obligations owed to [REDACTED] (the "Creditor") by [REDACTED] (the "Obligor") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "Guarantor"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor, together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "Obligations").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. Without prejudice to the generality of the foregoing provisions, the Guarantor agrees promptly to pay on demand of the Creditor all sums which may become due and payable, including (but not limited to) such sums as may become due and payable upon the Creditor accelerating the maturity of the Obligations in accordance with options provided thereunder and privileges under the terms of any instrument evidencing the existence of the Obligations, and whether the Creditor shall (at its absolute discretion) elect to demand, sue or recover each of such sums severally or by separate action as and when the same shall become due, or otherwise. The obligations of the Guarantor hereunder shall be direct and unconditional and independent of the obligations of the Obligor, and a separate action or actions may be brought and prosecuted against the Guarantor without the necessity of joining or previously proceeding against or exhausting any other remedy against the Obligor, or any securities then held in respect of the obligations or undertakings secured hereby.
2. In the event the Creditor enters into any agreement with the Obligor extending, renewing or otherwise amending the terms of repayment of the Obligations, then the Guarantor shall not be released thereby but shall remain bound by the terms hereof.
3. The Guarantor does hereby specifically waive any and all defenses to any action brought to enforce these presents or any part thereof at law or in equity except the defense that the sum claimed has actually been paid to the Creditor. Without limiting the generality of the foregoing in any way but merely by way of illustration, the Guarantor specifically waives any and all technical, dilatory and non-meritorious defenses and any defense predicated upon a disability on the part of the Obligor, or there having been a change or modification in the terms of the Obligations or any other security from time to time being held by the Creditor, or any of them, an indulgence or forbearance in the enforcement of any term thereof or any other document or instrument securing or affecting the said indebtedness, a release or change in part or the whole of any security from time to time being held by the Creditor whether for valuable consideration or otherwise, the acquiring of additional security or substitution of different security in exchange for portions of the original security and/or the fact that there may be persons other than the Guarantor responsible for the payment of the indebtedness.

4. It is also understood and agreed that the liability hereby assumed shall not be affected by the acceptance of any settlement or composition offered by the Obligor, either in liquidation, readjustment, receivership, bankruptcy or otherwise. It is further understood and agreed that the Creditor is not required to give notice to the Guarantor of any failure or omission on the part of the Obligor, to meet all payments or obligations as they mature.
5. The Guarantor does specifically waive any right to (a) demand, (b) protest, (c) notice of protest, (d) notice of non-payment or non-forbearance, (e) require the Creditor to proceed against the Obligor, (f) require the Creditor to proceed against or exhaust any security held from the Obligor, or (g) require the Creditor to pursue any other remedy in its power whatsoever.
6. The Guarantor agrees that until the Creditor shall have been repaid the Obligations in full, the Guarantor will not seek reimbursement or payment against the Obligor and that in the meantime all claims which the Guarantor may have against the Obligor shall stand subordinate to all claims of the Creditor against the Obligor.
7. These presents are to be construed as a continuing, binding, absolute and unconditional guarantee and indemnity which shall remain in full force and effect as written until the Creditor has actually been paid the Obligations and each and every part thereof, or until the Creditor, in writing agrees to the revocation of these presents. It is further stipulated and agreed that the Creditor may, without notice to or the consent of the Guarantor, assign these presents in whole or in part. These presents shall stand as a complete security and the Guarantor shall remain liable to the Creditor for repayment of the Obligations whether or not the Creditor shall have enforced any or all of its rights (and to whatever extent) and whether or not the Creditor shall have recovered all monies it may be able or entitled to receive thereunder, until the Obligations and each and every part thereof shall have been repaid to the Creditor in full. It is further agreed and understood that these presents are additional to any other security from time to time being held by the Creditor for the repayment of the Obligations and the Creditor shall not be placed at its election as to which (if any) security it wishes to enforce.
8. Without limiting the generality of the foregoing, it is agreed and understood that the Guarantor shall be liable hereunder as a principal party (and not only as surety). It is also understood and agreed that the Guarantor shall be liable to the full extent as if the Guarantor were party and signatory to the security documentation granted or to be granted by the Obligor, in all cases as principal and not as surety.
9. No failure or delay on the part of the Creditor in exercising any right or remedy under this Guarantee shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law, by statute, equity or otherwise conferred. No waiver of any provision of this Guarantee shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Creditor and then only for the particular instance for which it is so given. No notice to or demand on the Guarantor shall be deemed to be a waiver of the obligation of the Guarantor or of the right of the Creditor to take further action without notice or demand as provided herein.

10. The Guarantor acknowledges and agrees that the (A) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (B) change or changes in the name of, or (C) amalgamation, consolidation, merger or reorganization of any kind, of, or with respect to, the Obligor, the Guarantor or any other guarantor or person, shall not discharge, terminate, release, limit, reduce, lessen, impair or in any way affect the indebtedness, obligations and liabilities of the Guarantor under this Guarantee or otherwise subject the Creditor to a defence of any kind, including any defence of set-off, counterclaim or recoupment. Specifically, the Guarantor acknowledges and agrees that, if applicable, in the event it amalgamates with any other body corporate, the term "Guarantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that this Guarantee shall continue to be an obligation of each of the amalgamating companies and the amalgamated company.
11. The Guarantor also agrees to pay all reasonable legal fees and all other costs or expenses incurred by the Creditor in the enforcement and protection of these presents.
12. All rights and powers of the Creditor shall enure to its successors and assigns, and all agreements and obligations herein shall bind the Guarantor and its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed these presents on _____,
2022

TURNIP HOME INC.

Per: _____

SCHEDULE C

Form of Personal Guarantee

GUARANTEE

TO: [REDACTED]

IN CONSIDERATION OF the payment obligations owed to [REDACTED] (the “**Creditor**”) by [REDACTED] (the “**Obligor**”) and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the “**Guarantor**”), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor (the “**Mortgage**”), together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the “**Obligations**”).

AND the Guarantor does hereby covenant with the Creditor as follows:

1. This Guarantee shall be binding on the Guarantor, notwithstanding any defect in or omission from the Mortgage or any documents delivered in connection therewith, any incapacity (financial or otherwise), disability, ceasing to exist, liquidation, winding-up, dissolution, reorganization, change of control, bankruptcy, insolvency, creditor compromise or other circumstance whatsoever, whether similar or dissimilar, affecting the Obligor or the lack or limitation of status of or power of the Obligor or the directors thereof, or any irregularity, default or informality in the Mortgage. The Guarantor shall be and remain liable to the Creditor under this Guarantee in the event Mortgage are or become in whole or in part released, compromised or discharged by operation of law or otherwise. Further, the Guarantor shall be and remain liable to the Creditor under this Guarantee, notwithstanding any postponement provisions contained in the Mortgage and any further or other postponements or similar agreements or instruments given by the Creditor to or for the benefit of the Obligor.
2. The liability of the Guarantor hereunder shall be absolute and unconditional, the Guarantor shall for all purposes of the Guarantee, be regarded (and be deemed to be) in the same position as the principal debtor under the Mortgage, and the Guarantor hereby waives demand, presentment, protest and notice of default under the Mortgage. If the Obligor is in default of any of the payments or other obligations under the Mortgage, then the Guarantor shall forthwith on demand by the Creditor pay the Creditor all amounts due or accruing due under the Mortgage.
3. The Creditor may grant time, renewals, extensions, indulgences, releases and discharges to, take security (including other guarantees) from, and give the same up as well as give up any or all existing securities, abstain from taking securities from, perfecting securities of, accept compromises from and otherwise deal, with the Obligor and others and with all securities as the Creditor may see fit, and may apply all monies at any time received from the Obligor or others or from securities upon such part of the liabilities as the Creditor deems fit, and in all cases without lessening or limiting the liability of the Guarantor under this Guarantee, and no loss of or in respect of any securities received by the Creditor from the Obligor or others where they are occasioned by the fault of the Obligor or others shall in any way lessen or limit the liability of the Guarantor under this Guarantee.

4. The Creditor shall not be bound to exhaust its recourse against the Obligor or any other persons or any securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
5. All rights, powers and remedies of the Creditor hereunder and under the Mortgage shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given to the Creditor at law.
6. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Creditor under the Mortgage, and the Guarantor shall have no rights to be subrogated to any rights of the Creditor until the Creditor shall have received payment in full of all of the liabilities under this Guarantee and the Mortgage.
7. The Guarantee shall not be affected by the death or loss or diminution of capacity of the Guarantor.
8. Should any one or more of the provisions of this Guarantee be determined to be void, voidable, ultra vires, invalid, ineffective, illegal or unenforceable, all other provisions shall nevertheless remain valid and effective.
9. The Guarantor agrees that any legal fees and disbursements incurred by the Creditor in respect of the enforcement of and collection under this Guarantee shall be recoverable from the Guarantor on a solicitor/client full indemnity basis.
10. This Agreement shall be construed in accordance with the laws of the Province of Alberta and for the purposes of legal proceedings, this Guarantee shall be deemed to have been made in the Province of Alberta and to be performed there, and the courts of the Province of Alberta shall have not exclusive jurisdiction over all disputes that may arise under this Guarantee, provided always that nothing therein shall prevent the Creditor from proceeding in its election against the Guarantor in the courts of any other Province or Country.
11. This Guarantee shall extend to and enure to the benefit of the Creditor, its successors and assigns, and any heirs.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee, effective [●].

HENOK KASSAYE

**GUARANTEES ACKNOWLEDGMENT ACT
(SECTION 3)**

CERTIFICATE

I HEREBY CERTIFY THAT:

1. Henok Kassaye, the guarantor in the guarantee dated effective [●], which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by _____, Barrister and Solicitor, at the City of Edmonton, in the Province of Alberta, this ____ day of _____, 2022.

NAME:
NOTARY PUBLIC AND MEMBER OF THE LAW SOCIETY
IN AND FOR THE PROVINCE OF ALBERTA

STATEMENT OF GUARANTOR

I am the person named in this certificate.

HENOK KASSAYE

LAND TITLES ACT

MORTGAGE

2399449 ALBERTA LTD.

TO

MPRE GP DEV INC.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of _____, 2021 (the "PSA"), the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
- (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means January 30, 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.4 hereof;
 - (j) "Mortgagee" means MPRE GP Dev Inc.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3, or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means 2399449 Alberta Ltd.
 - (m) "Mortgagor's Address" means 300, 9316 – 82 Avenue, Edmonton, AB T6C 0Z6 or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$10,106,096 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act (Canada)*, then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV

4.1 **Mortgagor's Representations and Warranties**

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V

5.1 **Default**

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

Provided that the Mortgagor is not in default pursuant to this Mortgage and the Concurrent Mortgage, the Mortgagor shall be entitled to a partial discharge of this Mortgage against a portion of the Lands (the "Discharged Property") upon payment of 95% of the amount allocated to the Discharged Property in the PSA (the "Discharge Amount"). All monies received by the Mortgagee pursuant to this Section shall be applied in reduction of the Principal Sum and not in payment of accrued interest. The Mortgage shall within thirty (30) days of receipt of payment in full of the Discharge Amount, provide to the Mortgagor a registrable discharge of this Mortgage as against the Discharged Property.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of section 39 of the *Law of Property Act (Alberta)* and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and

- (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.
- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act (Alberta)* and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

- (a) If the Lands or any part thereof are condemned under any power of eminent domain or are acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Mortgage Monies and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands are taken in the expropriation without resulting

damage to the buildings and improvements or any part thereof, or if a portion of the Lands is taken in such expropriation proceedings with resulting damage to the buildings and improvements and the amount of the award made therein is based on a determination that the portion of the buildings and improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated, then the provisions of this Mortgage relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act (Alberta)* and any amendments thereto or the *Law of Property Act (Alberta)* and any amendments thereto, as a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.
- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on January 27, 2022.

2399449 ALBERTA LTD.

Per: _____



SCHEDULE A

Mortgaged Lands

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**PLAN I2
BLOCK 103
LOT 6**

SCHEDULE B

Permitted Encumbrances

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Nil

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Instrument No. 5456UM

Instrument No. 202 256 088

Instrument No. 212 110 132

Instrument No. 212 110 133

**PLAN I2
BLOCK 103
LOT 6**

Nil

SCHEDULE C

Concurrent Mortgage

Mortgage dated January 28, 2022, by 2399430 Alberta Ltd. in favour of Mike Priestner Real Estate Inc., with respect to the property having the following municipal address: 10053 Jasper Avenue, Edmonton, AB.

This is Exhibit "G" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

Mike Priestner Real Estate Inc.
 Kassaye Mortgage Receivable - 2022
 January 1 - November 30, 2022

	Union Bank Inn	MPRE GP DEV INC.	Total
Original Loan	5,218,904.00	10,106,096.00	15,325,000.00
Interest Expense	371,914.81	720,190.86	1,092,105.67
Other Expenses*			27,711.65
Penalties*	N/A	N/A	N/A
Payments			140,000.00
Total Outstanding	5,590,818.81	10,826,286.86	16,304,817.32

* Impark, Telco, Property Taxes, Telus, Enmax

* No penalties charged as of date

This is Exhibit "H" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

GUARANTEE

TO: Mike Priestner Real Estate Inc.

IN CONSIDERATION OF the payment obligations owed to Mike Priestner Real Estate Inc. (the "Creditor") by 2399430 Alberta Ltd. (the "Obligor") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "Guarantor"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor, together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "Obligations").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. Without prejudice to the generality of the foregoing provisions, the Guarantor agrees promptly to pay on demand of the Creditor all sums which may become due and payable, including (but not limited to) such sums as may become due and payable upon the Creditor accelerating the maturity of the Obligations in accordance with options provided thereunder and privileges under the terms of any instrument evidencing the existence of the Obligations, and whether the Creditor shall (at its absolute discretion) elect to demand, sue or recover each of such sums severally or by separate action as and when the same shall become due, or otherwise. The obligations of the Guarantor hereunder shall be direct and unconditional and independent of the obligations of the Obligor, and a separate action or actions may be brought and prosecuted against the Guarantor without the necessity of joining or previously proceeding against or exhausting any other remedy against the Obligor, or any securities then held in respect of the obligations or undertakings secured hereby.
2. In the event the Creditor enters into any agreement with the Obligor extending, renewing or otherwise amending the terms of repayment of the Obligations, then the Guarantor shall not be released thereby but shall remain bound by the terms hereof.
3. The Guarantor does hereby specifically waive any and all defenses to any action brought to enforce these presents or any part thereof at law or in equity except the defense that the sum claimed has actually been paid to the Creditor. Without limiting the generality of the foregoing in any way but merely by way of illustration, the Guarantor specifically waives any and all technical, dilatory and non-meritorious defenses and any defense predicated upon a disability on the part of the Obligor, or there having been a change or modification in the terms of the Obligations or any other security from time to time being held by the Creditor, or any of them, an indulgence or forbearance in the enforcement of any term thereof or any other document or instrument securing or affecting the said indebtedness, a release or change in part or the whole of any security from time to time being held by the Creditor whether for valuable consideration or otherwise, the acquiring of additional security or substitution of different security in exchange for portions of the original security and/or the fact that there may be persons other than the Guarantor responsible for the payment of the indebtedness.

4. It is also understood and agreed that the liability hereby assumed shall not be affected by the acceptance of any settlement or composition offered by the Obligor, either in liquidation, readjustment, receivership, bankruptcy or otherwise. It is further understood and agreed that the Creditor is not required to give notice to the Guarantor of any failure or omission on the part of the Obligor, to meet all payments or obligations as they mature.
5. The Guarantor does specifically waive any right to (a) demand, (b) protest, (c) notice of protest, (d) notice of non-payment or non-forbearance, (e) require the Creditor to proceed against the Obligor, (f) require the Creditor to proceed against or exhaust any security held from the Obligor, or (g) require the Creditor to pursue any other remedy in its power whatsoever.
6. The Guarantor agrees that until the Creditor shall have been repaid the Obligations in full, the Guarantor will not seek reimbursement or payment against the Obligor and that in the meantime all claims which the Guarantor may have against the Obligor shall stand subordinate to all claims of the Creditor against the Obligor.
7. These presents are to be construed as a continuing, binding, absolute and unconditional guarantee and indemnity which shall remain in full force and effect as written until the Creditor has actually been paid the Obligations and each and every part thereof, or until the Creditor, in writing agrees to the revocation of these presents. It is further stipulated and agreed that the Creditor may, without notice to or the consent of the Guarantor, assign these presents in whole or in part. These presents shall stand as a complete security and the Guarantor shall remain liable to the Creditor for repayment of the Obligations whether or not the Creditor shall have enforced any or all of its rights (and to whatever extent) and whether or not the Creditor shall have recovered all monies it may be able or entitled to receive thereunder, until the Obligations and each and every part thereof shall have been repaid to the Creditor in full. It is further agreed and understood that these presents are additional to any other security from time to time being held by the Creditor for the repayment of the Obligations and the Creditor shall not be placed at its election as to which (if any) security it wishes to enforce.
8. Without limiting the generality of the foregoing, it is agreed and understood that the Guarantor shall be liable hereunder as a principal party (and not only as surety). It is also understood and agreed that the Guarantor shall be liable to the full extent as if the Guarantor were party and signatory to the security documentation granted or to be granted by the Obligor, in all cases as principal and not as surety.
9. No failure or delay on the part of the Creditor in exercising any right or remedy under this Guarantee shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law, by statute, equity or otherwise conferred. No waiver of any provision of this Guarantee shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Creditor and then only for the particular instance for which it is so given.
10. No notice to or demand on the Guarantor shall be deemed to be a waiver of the obligation of the Guarantor or of the right of the Creditor to take further action without notice or

demand as provided herein. The Guarantor acknowledges and agrees that the (A) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (B) change or changes in the name of, or (C) amalgamation, consolidation, merger or reorganization of any kind, of, or with respect to, the Obligor, the Guarantor or any other guarantor or person, shall not discharge, terminate, release, limit, reduce, lessen, impair or in any way affect the indebtedness, obligations and liabilities of the Guarantor under this Guarantee or otherwise subject the Creditor to a defence of any kind, including any defence of set-off, counterclaim or recoupment. Specifically, the Guarantor acknowledges and agrees that, if applicable, in the event it amalgamates with any other body corporate, the term "Guarantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that this Guarantee shall continue to be an obligation of each of the amalgamating companies and the amalgamated company.

11. The Guarantor also agrees to pay all reasonable legal fees and all other costs or expenses incurred by the Creditor in the enforcement and protection of these presents.
12. All rights and powers of the Creditor shall enure to its successors and assigns, and all agreements and obligations herein shall bind the Guarantor and its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed these presents on January 27, 2022



TURNIP HOME INC.


Per: 

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, HENOK KASSAYE, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

- 1. I am an officer or a director of TURNIP HOME INC. named in the within or annexed instrument.
- 2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of Edmonton, in)
the Province of Alberta on this 21 day of January,)
2022.)
)
)
)



A Commissioner for Oaths in and for Alberta or A Notary
Public in and for the Province of Alberta




AFFIDAVIT OF EXECUTION FOR WITNESS

I, Alem Popatia, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

- 1. I was personally present and did see HENOK KASSAYE, named in the annexed instrument, who is known to me to be the person named therein, duly sign and execute the instrument for the purpose named therein.
- 2. That the instrument was executed at City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
- 3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at City of Edmonton, in)
the Province of Alberta on this 21 day of January,)
2022.)
)
)
)



A Commissioner for Oaths in and for Alberta or a Notary
Public in and for the Province of Alberta



EVELYN DORIS FOWLER
A Commissioner for Oaths
in and for Alberta
My Commission Expires August 9, _____

This is Exhibit "I" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

GUARANTEE

TO: MPRE GP DEV Inc.

IN CONSIDERATION OF the payment obligations owed to MPRE GP DEV Inc. (the "Creditor") by 2399449 Alberta Ltd. (the "Obligor") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "Guarantor"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor, together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "Obligations").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. Without prejudice to the generality of the foregoing provisions, the Guarantor agrees promptly to pay on demand of the Creditor all sums which may become due and payable, including (but not limited to) such sums as may become due and payable upon the Creditor accelerating the maturity of the Obligations in accordance with options provided thereunder and privileges under the terms of any instrument evidencing the existence of the Obligations, and whether the Creditor shall (at its absolute discretion) elect to demand, sue or recover each of such sums severally or by separate action as and when the same shall become due, or otherwise. The obligations of the Guarantor hereunder shall be direct and unconditional and independent of the obligations of the Obligor, and a separate action or actions may be brought and prosecuted against the Guarantor without the necessity of joining or previously proceeding against or exhausting any other remedy against the Obligor, or any securities then held in respect of the obligations or undertakings secured hereby.
2. In the event the Creditor enters into any agreement with the Obligor extending, renewing or otherwise amending the terms of repayment of the Obligations, then the Guarantor shall not be released thereby but shall remain bound by the terms hereof.
3. The Guarantor does hereby specifically waive any and all defenses to any action brought to enforce these presents or any part thereof at law or in equity except the defense that the sum claimed has actually been paid to the Creditor. Without limiting the generality of the foregoing in any way but merely by way of illustration, the Guarantor specifically waives any and all technical, dilatory and non-meritorious defenses and any defense predicated upon a disability on the part of the Obligor, or there having been a change or modification in the terms of the Obligations or any other security from time to time being held by the Creditor, or any of them, an indulgence or forbearance in the enforcement of any term thereof or any other document or instrument securing or affecting the said indebtedness, a release or change in part or the whole of any security from time to time being held by the Creditor whether for valuable consideration or otherwise, the acquiring of additional security or substitution of different security in exchange for portions of the original security and/or the fact that there may be persons other than the Guarantor responsible for the payment of the indebtedness.

4. It is also understood and agreed that the liability hereby assumed shall not be affected by the acceptance of any settlement or composition offered by the Obligor, either in liquidation, readjustment, receivership, bankruptcy or otherwise. It is further understood and agreed that the Creditor is not required to give notice to the Guarantor of any failure or omission on the part of the Obligor, to meet all payments or obligations as they mature.
5. The Guarantor does specifically waive any right to (a) demand, (b) protest, (c) notice of protest, (d) notice of non-payment or non-forbearance, (e) require the Creditor to proceed against the Obligor, (f) require the Creditor to proceed against or exhaust any security held from the Obligor, or (g) require the Creditor to pursue any other remedy in its power whatsoever.
6. The Guarantor agrees that until the Creditor shall have been repaid the Obligations in full, the Guarantor will not seek reimbursement or payment against the Obligor and that in the meantime all claims which the Guarantor may have against the Obligor shall stand subordinate to all claims of the Creditor against the Obligor.
7. These presents are to be construed as a continuing, binding, absolute and unconditional guarantee and indemnity which shall remain in full force and effect as written until the Creditor has actually been paid the Obligations and each and every part thereof, or until the Creditor, in writing agrees to the revocation of these presents. It is further stipulated and agreed that the Creditor may, without notice to or the consent of the Guarantor, assign these presents in whole or in part. These presents shall stand as a complete security and the Guarantor shall remain liable to the Creditor for repayment of the Obligations whether or not the Creditor shall have enforced any or all of its rights (and to whatever extent) and whether or not the Creditor shall have recovered all monies it may be able or entitled to receive thereunder, until the Obligations and each and every part thereof shall have been repaid to the Creditor in full. It is further agreed and understood that these presents are additional to any other security from time to time being held by the Creditor for the repayment of the Obligations and the Creditor shall not be placed at its election as to which (if any) security it wishes to enforce.
8. Without limiting the generality of the foregoing, it is agreed and understood that the Guarantor shall be liable hereunder as a principal party (and not only as surety). It is also understood and agreed that the Guarantor shall be liable to the full extent as if the Guarantor were party and signatory to the security documentation granted or to be granted by the Obligor, in all cases as principal and not as surety.
9. No failure or delay on the part of the Creditor in exercising any right or remedy under this Guarantee shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law, by statute, equity or otherwise conferred. No waiver of any provision of this Guarantee shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Creditor and then only for the particular instance for which it is so given.
10. No notice to or demand on the Guarantor shall be deemed to be a waiver of the obligation of the Guarantor or of the right of the Creditor to take further action without notice or

demand as provided herein. The Guarantor acknowledges and agrees that the (A) liquidation, winding-up, bankruptcy, dissolution, compromise, proposal, arrangement, plan of reorganization or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (B) change or changes in the name of, or (C) amalgamation, consolidation, merger or reorganization of any kind, of, or with respect to, the Obligor, the Guarantor or any other guarantor or person, shall not discharge, terminate, release, limit, reduce, lessen, impair or in any way affect the indebtedness, obligations and liabilities of the Guarantor under this Guarantee or otherwise subject the Creditor to a defence of any kind, including any defence of set-off, counterclaim or recoupment. Specifically, the Guarantor acknowledges and agrees that, if applicable, in the event it amalgamates with any other body corporate, the term "Guarantor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that this Guarantee shall continue to be an obligation of each of the amalgamating companies and the amalgamated company.

11. The Guarantor also agrees to pay all reasonable legal fees and all other costs or expenses incurred by the Creditor in the enforcement and protection of these presents.
12. All rights and powers of the Creditor shall enure to its successors and assigns, and all agreements and obligations herein shall bind the Guarantor and its successors and assigns.

IN WITNESS WHEREOF, the Guarantor has executed these presents on January 27, 2022



TURNIP HOME/NC.


Per: 

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY


I, HENOK KASSAYE, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

- 1. I am an officer or a director of TURNIP HOME INC. named in the within or annexed instrument.
- 2. I am authorized by the corporation to execute the instrument without affixing a corporate seal.

SWORN BEFORE ME at the City of Edmonton, in the Province of Alberta on this 29 day of January, 2022.



 A Commissioner for Oaths in and for Alberta or A Notary Public in and for the Province of Alberta




AFFIDAVIT OF EXECUTION FOR WITNESS

I, Aileen Popovic, of the City of Edmonton, in the Province of Alberta, MAKE OATH AND SAY:

- 1. I was personally present and did see HENOK KASSAYE, named in the annexed instrument, who is known to me to be the person named therein, duly sign and execute the instrument for the purpose named therein.
- 2. That the instrument was executed at City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
- 3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at City of Edmonton, in the Province of Alberta on this 29 day of January, 2022.



 A Commissioner for Oaths in and for Alberta or a Notary Public in and for the Province of Alberta



EVELYN DORIS FOWLER
 A Commissioner for Oaths
 in and for Alberta
 My Commission Expires August 9, 2022

This is Exhibit "J" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

GUARANTEE

TO: Mike Priestner Real Estate Inc.

IN CONSIDERATION OF the payment obligations owed to Mike Priestner Real Estate Inc. (the "**Creditor**") by 2399430 Alberta Ltd. (the "**Obligor**") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "**Guarantor**"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor (the "**Mortgage**"), together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "**Obligations**").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. This Guarantee shall be binding on the Guarantor, notwithstanding any defect in or omission from the Mortgage or any documents delivered in connection therewith, any incapacity (financial or otherwise), disability, ceasing to exist, liquidation, winding-up, dissolution, reorganization, change of control, bankruptcy, insolvency, creditor compromise or other circumstance whatsoever, whether similar or dissimilar, affecting the Obligor or the lack or limitation of status of or power of the Obligor or the directors thereof, or any irregularity, default or informality in the Mortgage. The Guarantor shall be and remain liable to the Creditor under this Guarantee in the event Mortgage are or become in whole or in part released, compromised or discharged by operation of law or otherwise. Further, the Guarantor shall be and remain liable to the Creditor under this Guarantee, notwithstanding any postponement provisions contained in the Mortgage and any further or other postponements or similar agreements or instruments given by the Creditor to or for the benefit of the Obligor.
2. The liability of the Guarantor hereunder shall be absolute and unconditional, the Guarantor shall for all purposes of the Guarantee, be regarded (and be deemed to be) in the same position as the principal debtor under the Mortgage, and the Guarantor hereby waives demand, presentment, protest and notice of default under the Mortgage. If the Obligor is in default of any of the payments or other obligations under the Mortgage, then the Guarantor shall forthwith on demand by the Creditor pay the Creditor all amounts due or accruing due under the Mortgage.
3. The Creditor may grant time, renewals, extensions, indulgences, releases and discharges to, take security (including other guarantees) from, and give the same up as well as give up any or all existing securities, abstain from taking securities from, perfecting securities of, accept compromises from and otherwise deal, with the Obligor and others and with all securities as the Creditor may see fit, and may apply all monies at any time received from the Obligor or others or from securities upon such part of the liabilities as the Creditor deems fit, and in all cases without lessening or limiting the liability of the Guarantor under this Guarantee, and no loss of or in respect of any securities received by the Creditor from the Obligor or others where they are occasioned by the fault of the Obligor or others shall in any way lessen or limit the liability of the Guarantor under this Guarantee.

4. The Creditor shall not be bound to exhaust its recourse against the Obligor or any other persons or any securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
5. All rights, powers and remedies of the Creditor hereunder and under the Mortgage shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given to the Creditor at law.
6. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Creditor under the Mortgage, and the Guarantor shall have no rights to be subrogated to any rights of the Creditor until the Creditor shall have received payment in full of all of the liabilities under this Guarantee and the Mortgage.
7. The Guarantee shall not be affected by the death or loss or diminution of capacity of the Guarantor.
8. Should any one or more of the provisions of this Guarantee be determined to be void, voidable, ultra vires, invalid, ineffective, illegal or unenforceable, all other provisions shall nevertheless remain valid and effective.
9. The Guarantor agrees that any legal fees and disbursements incurred by the Creditor in respect of the enforcement of and collection under this Guarantee shall be recoverable from the Guarantor on a solicitor/client full indemnity basis.
10. This Agreement shall be construed in accordance with the laws of the Province of Alberta and for the purposes of legal proceedings, this Guarantee shall be deemed to have been made in the Province of Alberta and to be performed there, and the courts of the Province of Alberta shall have not exclusive jurisdiction over all disputes that may arise under this Guarantee, provided always that nothing therein shall prevent the Creditor from proceeding in its election against the Guarantor in the courts of any other Province or Country.
11. This Guarantee shall extend to and enure to the benefit of the Creditor, its successors and assigns, and any heirs.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee, effective January 27, 2022.

HENOK KASSAYE



This is Exhibit "K" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

GUARANTEE

TO: MPRE GP DEV Inc.

IN CONSIDERATION OF the payment obligations owed to MPRE GP DEV Inc. (the "**Creditor**") by 2399449 Alberta Ltd. (the "**Obligor**") and one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned (the "**Guarantor**"), hereby irrevocably, unconditionally and absolutely guarantees payment to the Creditor of the amounts due or owing to the Creditor by the Obligor under and pursuant to a mortgage dated the date hereof made by the Obligor in favour of the Creditor (the "**Mortgage**"), together with all costs, charges or expenses (including legal expenses on a solicitor and his or her client full indemnity basis) incurred by the Creditor, any receiver, receiver-manager or agent of the Obligor, or the agent of the Creditor in the perfection and enforcement of this Guarantee and of any security held by the Creditor in respect of such indebtedness, obligations, liabilities, expenses and interest (the "**Obligations**").

AND the Guarantor does hereby covenant with the Creditor as follows:

1. This Guarantee shall be binding on the Guarantor, notwithstanding any defect in or omission from the Mortgage or any documents delivered in connection therewith, any incapacity (financial or otherwise), disability, ceasing to exist, liquidation, winding-up, dissolution, reorganization, change of control, bankruptcy, insolvency, creditor compromise or other circumstance whatsoever, whether similar or dissimilar, affecting the Obligor or the lack or limitation of status of or power of the Obligor or the directors thereof, or any irregularity, default or informality in the Mortgage. The Guarantor shall be and remain liable to the Creditor under this Guarantee in the event Mortgage are or become in whole or in part released, compromised or discharged by operation of law or otherwise. Further, the Guarantor shall be and remain liable to the Creditor under this Guarantee, notwithstanding any postponement provisions contained in the Mortgage and any further or other postponements or similar agreements or instruments given by the Creditor to or for the benefit of the Obligor.
2. The liability of the Guarantor hereunder shall be absolute and unconditional, the Guarantor shall for all purposes of the Guarantee, be regarded (and be deemed to be) in the same position as the principal debtor under the Mortgage, and the Guarantor hereby waives demand, presentment, protest and notice of default under the Mortgage. If the Obligor is in default of any of the payments or other obligations under the Mortgage, then the Guarantor shall forthwith on demand by the Creditor pay the Creditor all amounts due or accruing due under the Mortgage.
3. The Creditor may grant time, renewals, extensions, indulgences, releases and discharges to, take security (including other guarantees) from, and give the same up as well as give up any or all existing securities, abstain from taking securities from, perfecting securities of, accept compromises from and otherwise deal, with the Obligor and others and with all securities as the Creditor may see fit, and may apply all monies at any time received from the Obligor or others or from securities upon such part of the liabilities as the Creditor deems fit, and in all cases without lessening or limiting the liability of the Guarantor under this Guarantee, and no loss of or in respect of any securities received by the Creditor from the Obligor or others where they are occasioned by the fault of the Obligor or others shall in any way lessen or limit the liability of the Guarantor under this Guarantee.

4. The Creditor shall not be bound to exhaust its recourse against the Obligor or any other persons or any securities it may hold before being entitled to payment from the Guarantor under this Guarantee.
5. All rights, powers and remedies of the Creditor hereunder and under the Mortgage shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given to the Creditor at law.
6. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Creditor under the Mortgage, and the Guarantor shall have no rights to be subrogated to any rights of the Creditor until the Creditor shall have received payment in full of all of the liabilities under this Guarantee and the Mortgage.
7. The Guarantee shall not be affected by the death or loss or diminution of capacity of the Guarantor.
8. Should any one or more of the provisions of this Guarantee be determined to be void, voidable, ultra vires, invalid, ineffective, illegal or unenforceable, all other provisions shall nevertheless remain valid and effective.
9. The Guarantor agrees that any legal fees and disbursements incurred by the Creditor in respect of the enforcement of and collection under this Guarantee shall be recoverable from the Guarantor on a solicitor/client full indemnity basis.
10. This Agreement shall be construed in accordance with the laws of the Province of Alberta and for the purposes of legal proceedings, this Guarantee shall be deemed to have been made in the Province of Alberta and to be performed there, and the courts of the Province of Alberta shall have not exclusive jurisdiction over all disputes that may arise under this Guarantee, provided always that nothing therein shall prevent the Creditor from proceeding in its election against the Guarantor in the courts of any other Province or Country.
11. This Guarantee shall extend to and enure to the benefit of the Creditor, its successors and assigns, and any heirs.

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee, effective January 27, 2022.



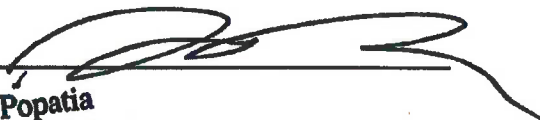
HENOK KASSAYE

**GUARANTEES ACKNOWLEDGMENT ACT
(SECTION 3)
CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Henok Kassaye, the guarantor in the guarantee dated effective January __, 2022, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by Aleem Popatia, Lawyer at the City of Edmonton, in the Province of Alberta, this 27 day of January, 2022.


NAME: Aleem Popatia
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.


HENOK KASSAYE

**GUARANTEES ACKNOWLEDGMENT ACT
(SECTION 3)
CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Henok Kassaye, the guarantor in the guarantee dated effective January 27 2022, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he had executed the guarantee.

2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by Aleem Popatia, Lawyer at the City of Edmonton, in the Province of Alberta, this 27 day of January, 2022.

NAME:


Aleem Popatia
Barrister & Solicitor

STATEMENT OF GUARANTOR

I am the person named in this certificate.


HENOK KASSAYE

This is Exhibit "L" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor



LAND TITLE CERTIFICATE

B
LINC SHORT LEGAL TITLE NUMBER
0014 335 922 F; ;6 222 105 236

LEGAL DESCRIPTION
PLAN F
LOT 6

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;24;53;6;RL

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 962 216 522

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
222 105 236	10/05/2022	TRANSFER OF LAND	\$5,900,000	\$5,900,000

OWNERS

2399430 ALBERTA LTD.
OF 300, 9316-82 AVENUE
EDMONTON
ALBERTA T6C 0Z6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER		
1251MI	23/06/1961	CAVEAT CAVEATOR - THE CITY OF EDMONTON.
912 239 538	06/09/1991	ENCROACHMENT AGREEMENT FOR THE BENEFIT OF LOT 6 PLAN F OVER LOT 5 PLAN F
972 046 791	18/02/1997	BY-LAW UNDER THE HISTORICAL RESOURCES ACT BY - THE CITY OF EDMONTON.
972 116 332	29/04/1997	AGREEMENT CONDITION/COVENANT UNDER THE HISTORICAL RESOURCES

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

222 105 236

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

ACT IN FAVOR OF THE CITY OF EDMONTON

122 292 603 05/09/2012 CAVEAT
RE : ENCROACHMENT AGREEMENT

222 105 237 10/05/2022 MORTGAGE
MORTGAGEE - MIKE PRIESTNER REAL ESTATE INC.
10220 184 STREET NW
EDMONTON
ALBERTA T5S2L3
ORIGINAL PRINCIPAL AMOUNT: \$5,218,904

222 215 345 27/09/2022 CERTIFICATE OF LIS PENDENS

TOTAL INSTRUMENTS: 007

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 25 DAY OF
NOVEMBER, 2022 AT 07:11 A.M.

ORDER NUMBER: 45942769

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

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

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

This is Exhibit "M" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

LAND TITLES ACT

MORTGAGE

2399430 ALBERTA LTD.

TO

MIKE PRIESTNER REAL ESTATE INC.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of _____, 2021, the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
 - (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means January 30, 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.4 hereof;
 - (j) "Mortgagee" means Mike Priestner Real Estate Inc.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3 or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means 2399430 Alberta Ltd.
 - (m) "Mortgagor's Address" means 300, 9316-82 Avenue, Edmonton AB T6C 0Z6 or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$5,218,904 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV**4.1 Mortgagor's Representations and Warranties**

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V**5.1 Default**

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the premises as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

The Mortgagee shall, within thirty (30) days of receipt of payment in full of the Mortgage Monies, provide to the Mortgagor a registrable discharge of this Mortgage.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the

Mortgagor by the provisions of section 39 of the *Law of Property Act (Alberta)* and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and
 - (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a

rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.

- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act (Alberta)* and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

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

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

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act (Alberta)* and any amendments thereto or the *Law of Property Act (Alberta)* and any amendments thereto, as

a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.

- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on January 27, 2022.

2399430 ALBERTA LTD.

Per: _____



SCHEDULE A

Mortgaged Lands

Plan F
Lot 6

SCHEDULE B

Permitted Encumbrances

Instrument No. 1251MI

Instrument No. 912 239 538

Instrument No. 972 046 791

Instrument No. 972 116 332

Instrument No. 122 292 603

SCHEDULE C

Concurrent Mortgage

Mortgage dated January 28, 2022, by 2399449 Alberta Ltd. in favour of MPRE GP Dev Inc., with respect to the properties having the following municipal addresses: (i) 10315 – 109 Street, Edmonton, Alberta, (ii) 10507 Saskatchewan Drive, Edmonton, Alberta, (iii) 10505 81 Avenue, Edmonton, Alberta

This is Exhibit "N" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0015 480 866 B2;8;115-117 222 128 555

LEGAL DESCRIPTION
PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;24;53;HB

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 192 300 869

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
222 128 555	06/06/2022	TRANSFER OF LAND		SEE INSTRUMENT

OWNERS

2399449 ALBERTA LTD.
OF 300, 9316-82 AVE
EDMONTON
ALBERTA T6C 0Z6

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
222 128 556	06/06/2022	MORTGAGE MORTGAGEE - MPRE GP DEV INC. 10220 184 STREET NW EDMONTON ALBERTA T5S2L3 ORIGINAL PRINCIPAL AMOUNT: \$10,106,096
222 215 345	27/09/2022	CERTIFICATE OF LIS PENDENS

TOTAL INSTRUMENTS: 002

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D008AJB	27/07/2022	BLAKELY & DUSHENSKI 780-425-7200 CUSTOMER FILE NUMBER: 22994	
001		CERTIFICATE OF LIS PENDENS	B2;8;115-117

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 25 DAY OF
NOVEMBER, 2022 AT 07:11 A.M.

ORDER NUMBER: 45942769

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

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

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

IF MORE INFORMATION IS REQUIRED ON A PENDING REGISTRATION WHERE
THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
222 128 555 +1

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

3 FLOOR, 10117 JASPER AVENUE
EDMONTON
ALBERTA T5J1W8
AGENT - RICHARD A MILLER

222 128 556 06/06/2022 MORTGAGE
MORTGAGEE - MPRE GP DEV INC.
10220 184 STREET NW
EDMONTON
ALBERTA T5S2L3
ORIGINAL PRINCIPAL AMOUNT: \$10,106,096

222 215 345 27/09/2022 CERTIFICATE OF LIS PENDENS

TOTAL INSTRUMENTS: 004

PENDING REGISTRATION QUEUE

DRR RECEIVED
NUMBER DATE (D/M/Y) CORPORATE LLP TRADENAME LAND ID

D007FTK 11/07/2022 TERANET COLLATERAL MANAGEMENT
SOLUTIONS CORPORATION
604-637-4180
CUSTOMER FILE NUMBER:
DI-1034926-YZMLL

001 DISCHARGE 0015 234 826
002 DISCHARGE 0015 234 826

D008AJB 27/07/2022 BLAKELY & DUSHENSKI
780-425-7200
CUSTOMER FILE NUMBER:
22994

001 CERTIFICATE OF LIS PENDENS I2;103;6

TOTAL PENDING REGISTRATIONS: 002

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NOVEMBER, 2022 AT 07:11 A.M.

ORDER NUMBER: 45942769

CUSTOMER FILE NUMBER:



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THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0021 812 011 9220734;48;1A 222 128 555 +2

LEGAL DESCRIPTION

DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4;24;52;11;RL
ESTATE: FEE SIMPLE

MUNICIPALITY: CITY OF EDMONTON

REFERENCE NUMBER: 222 128 547

REGISTERED OWNER(S)
REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

222 128 555 06/06/2022 TRANSFER OF LAND SEE INSTRUMENT

OWNERS

2399449 ALBERTA LTD.
OF 300, 9316-82 AVE
EDMONTON
ALBERTA T6C 0Z6

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

5456UM 29/04/1974 CAVEAT
 CAVEATOR - THE CITY OF EDMONTON.
 OFFICE OF CITY SOLICITOR, CITY HALL, EDMONTON
 ALBERTA
202 256 088 18/11/2020 ORDER
 HISTORICAL RESOURCES ACT

212 110 132 15/05/2021 BY-LAW UNDER THE HISTORICAL RESOURCES ACT

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
222 128 555 +2

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

BY - THE CITY OF EDMONTON.

212 110 133 15/05/2021 CONDITION/COVENANT UNDER THE HISTORICAL RESOURCES
ACT
IN FAVOUR OF - THE CITY OF EDMONTON.
HISTORICAL SITE

222 074 292 30/03/2022 CAVEAT
RE : LEASE INTEREST
CAVEATOR - CORDUROY PROPERTIES II INC.
C/O 2200, 10155-102 STREET
EDMONTON
ALBERTA T5J4G8
AGENT - RODD C THORKESSON

222 128 556 06/06/2022 MORTGAGE
MORTGAGEE - MPRE GP DEV INC.
10220 184 STREET NW
EDMONTON
ALBERTA T5S2L3
ORIGINAL PRINCIPAL AMOUNT: \$10,106,096

222 215 345 27/09/2022 CERTIFICATE OF LIS PENDENS

TOTAL INSTRUMENTS: 007

PENDING REGISTRATION QUEUE

DRR RECEIVED
NUMBER DATE (D/M/Y) CORPORATE LLP TRADENAME LAND ID

D008AJB 27/07/2022 BLAKELY & DUSHENSKI
780-425-7200
CUSTOMER FILE NUMBER:
22994

001 CERTIFICATE OF LIS PENDENS 9220734;48;1A

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 25 DAY OF
NOVEMBER, 2022 AT 07:11 A.M.

ORDER NUMBER: 45942769

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

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OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

IF MORE INFORMATION IS REQUIRED ON A PENDING REGISTRATION WHERE
THE CONTACT INFORMATION DISPLAYS N/A PLEASE EMAIL LTO@GOV.AB.CA.

This is Exhibit "O" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

LAND TITLES ACT

MORTGAGE

2399449 ALBERTA LTD.

TO

MPRE GP DEV INC.

MORTGAGE
Land Titles Act

RECITALS:

- A. Pursuant to a purchase and sale agreement dated as of _____, 2021 (the "PSA"), the Mortgagee has agreed to (i) sell the Lands to the Mortgagor, and (ii) lend the Principal Sum to the Mortgagor for the purpose of financing a portion of the purchase price in respect of the Lands;
- B. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee;

THEREFORE, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE I

1.1 Definitions

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

- (a) "Business Days" means days other than Saturdays, Sundays and statutory holidays in the province of Alberta;
- (b) "Concurrent Mortgage" means the mortgage described in Schedule C, attached;
- (c) "Event of Default" means the occurrence of any one or more of the following events:
- (i) a default by the Mortgagor in the observance or performance of any of the terms or conditions of this Mortgage,
 - (ii) the Mortgagor becoming insolvent or the filing or presenting of a petition in bankruptcy against the Mortgagor,
 - (iii) the appointment of a Receiver or Receiver-Manager of the Mortgagor or any of its assets either privately or by court appointment,
 - (iv) the Mortgagor making a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation,
 - (v) any execution, sequestration or other process pertaining to the Lands of any Court becoming enforceable against the Mortgagor or a distress or analogous process being levied upon the Lands or any part thereof which is not satisfied or discharged, as the case maybe, within 15 days from the date upon which the Mortgagor receives written notice of the same from the Mortgagee,
 - (vi) the occurrence of an Event of Default (as defined in the Concurrent Mortgage) under the Concurrent Mortgage, and
 - (vii) any other event which, pursuant to the terms of the Mortgage constitutes an Event of Default;
- (d) "Hazardous Substances" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials,
 - (ii) explosives,
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant,
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - A. endangers the health, safety or welfare of persons or the health of animal life, or
 - B. causes damage to plant life or to property,
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls, and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) "Interest Rate" means the prime annual lending rate established by the Royal Bank of Canada for Canadian dollar loans made in Canada from time to time plus 4.50% per annum, calculated and compounded annually, not in advance, both before and as well as after maturity, default and the obtaining of any judgement;
 - (f) "Lands" means the lands legally described in Schedule A, attached, together with all improvements of every kind which are now or may hereafter be placed or installed thereupon;
 - (g) "Maturity Date" means January 30, 2025;
 - (h) "Mortgage" means this mortgage together with all recitals and schedules attached hereto;
 - (i) "Mortgage Monies" means the Principal Sum with interest thereon at the applicable Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee in accordance with Section 5.4 hereof;
 - (j) "Mortgagee" means MPRE GP Dev Inc.;
 - (k) "Mortgagee's Address" means 10220 184 Street NW, Edmonton, AB T5S 2L3, or such other address as the Mortgagee shall from time to time direct;
 - (l) "Mortgagor" means 2399449 Alberta Ltd.
 - (m) "Mortgagor's Address" means 300, 9316 – 82 Avenue, Edmonton, AB T6C 0Z6 or such other address as the Mortgagor shall from time to time direct;
 - (n) "Permitted Encumbrances" means those encumbrances described in Schedule B attached hereto;
 - (o) "Principal Sum" means the sum of \$10,106,096 in lawful money of Canada;

- (p) "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;
- (q) "Real Estate Taxes" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands but shall exclude income taxes;
- (r) "Receiver" means any person or persons appointed by the Mortgagee in accordance with Section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (s) "Term" means the period from and including the date hereof to and including the Maturity Date.

ARTICLE II

2.1 Principal Sum

The Mortgagee agrees to lend the Principal Sum to the Mortgagor on the terms and conditions set forth in this Mortgage. The Principal Sum shall be irrevocably deemed to have been advanced on the closing of the transaction of purchase and sale contemplated by the Sale Agreement.

2.2 Repayment

The Mortgagor shall pay the whole of the Mortgage Monies including the Principal Sum hereby secured with interest at the Interest Rate as herein provided as follows:

- (a) Interest at the Interest Rate on so much of the Principal Sum that remains outstanding, on the last day of each and every month, commencing February 1, 2022;
- (b) the whole of the Mortgage Monies including the Principal Sum hereby secured on the Maturity Date or on such earlier date as required by the terms of this Mortgage.

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. Interest at the Interest Rate shall be calculated from the date hereof to the date the Principal Sum and all accrued interest is paid in full. 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, and all such interest and compound interest shall be a charge on the Lands. Provided however that in the event that the computation of compound interest in arrears is prohibited by the provisions of the *Interest Act* (Canada), then in such event (and only in such event) interest in arrears shall bear interest at the Interest Rate and paid upon demand.

2.4 Prepayment

The Mortgagor shall have the privilege, at any time, of prepaying, either in whole or in part, the Principal Sum hereby secured without notice, bonus or penalty.

ARTICLE III

3.1 Insurance

- (a) The Mortgagor shall insure the Lands against loss or damage by the perils of fire and such other perils as the Mortgagee, acting reasonably, may require, for a total amount not less than the lesser of the replacement cost of the Lands and the amount of the Mortgagee's interest therein.
- (b) The Mortgagor will not do or permit anything to be done whereby the said policy or policies may be voided. The Mortgagor will pay all premiums and sums of money necessary for maintaining such insurance as aforesaid, as the same become due and will assign and deliver unto the Mortgagee the policy or policies of insurance and the receipt or receipts relating thereto.
- (c) The policies shall to the extent applicable, bear endorsements in a form satisfactory to the Mortgagee, acting reasonably, making all proceeds thereunder payable to the Mortgagee. All policies shall contain the Insurance Bureau of Canada standard mortgage clause.
- (d) The policies of insurance and renewals thereof, if applicable, shall be delivered to the Mortgagee at such times as are requested by the Mortgagee, and, in particular, evidence of renewal shall be delivered to the Mortgagee not less than 30 days prior to expiration of the insurance.
- (e) If the Mortgagor fails to insure or fails to deliver policies or renewals thereof to the Mortgagee as herein provided, the Mortgagee may effect and maintain any insurance herein provided for. Any amount paid by the Mortgagee in respect thereof shall be payable by the Mortgagor to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, and shall be added to the Principal Sum and shall bear interest at the Interest Rate until payment is received by the Mortgagee. However, nothing set out herein shall obligate the Mortgagee to obtain or maintain insurance on the Lands.
- (f) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the option of the Mortgagee:
 - (i) be forthwith applied in or towards substantially rebuilding, reinstating and repairing the Lands, or
 - (ii) be applied in or towards the payment of the Principal Sum outstanding from time to time, and in case of a surplus, in or towards payment of any interest that may be accrued due, or
 - (iii) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine;

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

- (g) 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.

3.2 Payment of Real Estate Taxes

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

- (a) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after receiving the Mortgagee's written request for the same;
- (b) If the Mortgagor fails to make payment of the Real Estate Taxes on the applicable due dates, the Mortgagee may 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 within 30 days of the Mortgagor's receipt of written demand for payment 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, provided however nothing set out herein shall oblige or obligate the Mortgagee to pay such Real Estate Taxes and doing so is solely at the option of the Mortgagee.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and, without cost and expense to the Mortgagee, will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly will make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage

caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.

- (c) The Mortgagee by its agents, solicitors or inspectors may, upon reasonable written notice, enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee acting reasonably, 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 30 Business Days and if the Mortgagor has not complied or is not in the process of diligently complying with such requisition within the said time period, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors who may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence. The cost of such repairs and replacements shall be paid for by the Mortgagor within 30 days of the Mortgagor's receipt of written demand for payment and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same and the Mortgagee in its sole discretion deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such events, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.

3.4 Alterations or Additions

The Mortgagor shall not make, or permit to be made, any alterations or additions in the Lands which would reduce the value thereof without the prior written consent of the Mortgagee, which consent may not be unreasonably withheld.

3.5 Hazardous Substances

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

- (a) except in the ordinary course of its business, and in accordance with applicable law, it shall not allow any Hazardous Substance to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may not be arbitrarily or unreasonably withheld or delayed;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor.

ARTICLE IV

4.1 Mortgagor's Representations and Warranties

The Mortgagor represents and warrants to the Mortgagee that:

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

ARTICLE V

5.1 Default

Upon the occurrence of an Event of Default:

- (a) The Mortgagee shall be entitled to immediately commence such legal proceedings as is deemed appropriate;
- (b) 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;
- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (d) 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;
- (e) it shall be lawful for, and the Mortgagor does hereby grant full power, right and license to, the Mortgagee to enter, seize and distress 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;
- (f) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (g) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor; and

- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.2 No Merger

The taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured shall not operate as a merger of such covenant or affect the Mortgagee's rights hereunder.

5.3 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, 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 portion of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor of any other security.

5.4 Additional Charges

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

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

are to be secured hereby and shall be a charge on the Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment. It is the express intention and agreement of the Mortgagor and Mortgagee

that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.5 Right of Subrogation

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

5.6 Monies Received or Collected

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

5.7 Discharge

Provided that the Mortgagor is not in default pursuant to this Mortgage and the Concurrent Mortgage, the Mortgagor shall be entitled to a partial discharge of this Mortgage against a portion of the Lands (the "Discharged Property") upon payment of 95% of the amount allocated to the Discharged Property in the PSA (the "Discharge Amount"). All monies received by the Mortgagee pursuant to this Section shall be applied in reduction of the Principal Sum and not in payment of accrued interest. The Mortgage shall within thirty (30) days of receipt of payment in full of the Discharge Amount, provide to the Mortgagor a registrable a discharge of this Mortgage as against the Discharged Property.

5.8 Exercise of Discretion

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

5.9 Default Under Prior Charge

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

- (a) be added to the Mortgage Monies;
- (b) bear interest at the Interest Rate until paid;
- (c) be a charge upon the Lands; and
- (d) unless repaid to the Mortgagee within 30 days of the Mortgagor's receipt of written demand for payment, be recoverable from the Mortgagor in the same manner as if such sum had been originally advanced and secured hereby.

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor. In this regard, the Mortgagor hereby assigns unto the Mortgagee its equity of redemption, if any, with respect to the said Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of section 39 of the *Law of Property Act* (Alberta) and any amendments thereto. 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.

ARTICLE VI

6.1 Appointment of Receiver

Upon the occurrence of an Event of Default, the Mortgagee may in writing appoint any person or persons to be a Receiver of the Lands and the rents and profits derived therefrom. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) A receiver so appointed shall be conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver and may, from time to time, fix the remuneration of every Receiver and be at liberty to direct the payment thereof from proceeds collected.
- (b) Nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such.
- (c) All monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be paid by the Receiver to the Mortgagee and applied by the Mortgagee in accordance with the terms of this Mortgage.
- (d) The Receiver so appointed shall have power to:
 - (i) take possession of, collect and get in the property, rents and profits, charged by this Mortgage 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) lease or re-lease all or any portion of the Lands and for this purpose to execute contracts in the name of the Mortgagor which contracts shall be binding upon the Mortgagor;
 - (iii) improve, maintain, manage, operate, repair, renew, replace and restore the Lands or any part thereof,
 - (iv) surrender, rescind, vary or amend any lease or contract relating to the Lands and the operation thereof; and

- (v) borrow money for the purpose of improving, maintaining, managing, operating, repairing, renewing, replacing or restoring the Lands or otherwise in such amount and in such manner as would, in the opinion of the Receiver, be sufficient for its purposes, on the security of the Lands and in doing so the Receiver may issue certificates which may be payable in a manner and which may bear interest at a rate determined by the Receiver and all amounts payable pursuant to such certificates shall form a charge upon the Lands in priority to this Mortgage.
- (e) The rights and powers conferred by this paragraph are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time.
- (f) The Mortgagor hereby irrevocably appoints the Mortgagee and any Receiver appointed as aforesaid to be its attorney in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and, without limiting the generality of the foregoing, the Mortgagee and Receiver appointed as aforesaid are hereby appointed pursuant to section 115 of the *Land Titles Act (Alberta)* and any amendments thereto 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.

ARTICLE VII

7.1 Leases

The Mortgagor covenants and agrees as follows:

- (a) to faithfully perform its covenants as lessor which it may have undertaken or which it may undertake under any subsisting and future leases affecting the Lands;
- (b) to neither do, neglect to do, nor permit to be done any act (other than pursuing the enforcement of the terms of a lease in the exercise of its remedies as lessor thereunder following default on the part of any lessee under such lease in the performance of its prescribed obligations) which may cause the material modification or the termination of any leases, or which may diminish or impair the value of any lease, or the rents provided for therein;
- (c) in the ownership, operation and management of the Lands, to observe and comply with all applicable federal, provincial and local bylaws, statutes, ordinances and regulations, orders and restrictions including without limitation, all zoning and building codes affecting the Lands.

ARTICLE VIII

8.1 Expropriation and Condemnation

- (a) If the Lands or any part thereof are condemned under any power of eminent domain or are acquired by expropriation for any public use or quasi public use, the damages, proceeds, consideration and award for such acquisition, to the extent of the full amount of the Mortgage Monies and obligations secured hereby remaining unpaid, are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee and its successors and assigns. If a portion only of the Lands are taken in the expropriation without resulting

damage to the buildings and improvements or any part thereof, or if a portion of the Lands is taken in such expropriation proceedings with resulting damage to the buildings and improvements and the amount of the award made therein is based on a determination that the portion of the buildings and improvements remaining on the portion of the Lands not so taken can practicably be rehabilitated, then the provisions of this Mortgage relating to insurance proceeds in case of loss or damage shall apply to the award in the said expropriation and the same shall be applied accordingly.

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

ARTICLE IX

9.1 Interpretation

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

9.2 Permitted Encumbrances

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

9.3 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.

9.4 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 *Alberta Rules of Court* and any amendments thereto, the *Judicature Act (Alberta)* and any amendments thereto or the *Law of Property Act (Alberta)* and any amendments thereto, as a result of a default by the Mortgagor, including but not restricted to any statement of claim issued by the Mortgagee or a Mortgagee's notice of motion requesting enforcement of its rights hereunder, shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address.
- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

9.5 Receipt Acknowledged

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

9.6 Charge

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

9.7 Assumption and Amendment

- (a) The Mortgage may not be assumed or assigned by the Mortgagor to any other party without the prior written consent of the Mortgagee.
- (b) 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:
 - (i) the assumption of the Mortgage by any party, without the consent of the Mortgagee or the Mortgagor; and
 - (ii) any renewal or extension of this Mortgage or any amendment or modification of the terms or covenants contained herein (including without restriction any increase or decrease in the Interest Rate, the amortization period or any extension or reduction in the length of the Term) with or without the consent of the Mortgagee or the Mortgagor.
- (c) Notwithstanding anything to the contrary herein contained, if the Mortgage is assigned by the Mortgagor to a third party with the Mortgagee's consent and approval, the Mortgagee agrees that the Mortgagor shall be fully released, remised and forever discharged of any liability under the Mortgage.

9.8 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.

IN WITNESS WHEREOF the Mortgagor has executed this Mortgage on January 27, 2022.

2399449 ALBERTA LTD.

Per: _____



SCHEDULE A

Mortgaged Lands

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

and

**PLAN I2
BLOCK 103
LOT 6**

SCHEDULE B

Permitted Encumbrances

**PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Nil

**DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS**

Instrument No. 5456UM

Instrument No. 202 256 088

Instrument No. 212 110 132

Instrument No. 212 110 133

**PLAN I2
BLOCK 103
LOT 6**

Nil

SCHEDULE C

Concurrent Mortgage

Mortgage dated January 28, 2022, by 2399430 Alberta Ltd. in favour of Mike Priestner Real Estate Inc., with respect to the property having the following municipal address: 10053 Jasper Avenue, Edmonton, AB.

This is Exhibit "P" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

Date: November 29, 2022

Account: 3568003

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

Property Address: 10053 JASPER AVENUE NW EDMONTON AB T5J 1S5

Legal Description: Plan: F Lot: 6

Assessed Parcel Description:

Mortgage Company Billed: No Monthly Payment Plan: No

Valuation Group: HOTEL MOTEL

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Assessment Year: 2022 Assessment: 1,388,000 Year Built: 1910

Land Use Description	Tax Class		Taxable Status
2301 Full-service hotel	COMMERCIAL	100 %	2301: (100%): FULLY TAXABLE JAN-2022 TO DEC-2022

Property Tax		Account Status	
Prior Year:	2021		
Taxes:	\$56,001.05	Tax Arrears:	\$.00
Annual Local Improvements:	\$12.07	Penalty:	\$.00
Total Prior Year Taxes:	\$56,013.12	Arrears Sub-Total:	\$.00
Tax Year:	2022	Current Taxes:	\$16,334.74
Taxes:	\$34,953.71	Penalty:	\$2,450.22
Annual Local Improvements:**	\$12.07	Current Sub-Total:	\$18,784.96
Total Current Year Taxes:	\$34,965.78	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owning on November 29, 2022	\$18,784.96

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).

This is Exhibit "Q" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399430 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to Mike Priestner Real Estate Inc. – 2399430 Alberta Ltd.

Please be advised that we are the solicitors for Mike Priestner Real Estate Inc. (“MPRE”) in respect of its dealings with 2399430 Alberta Ltd. (“430AB”). Our client advises that 430AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$5,466,532.66, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 430AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;

(the sum of (a) - (c) is referred to herein as the “**Indebtedness**”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 430AB granted to MPRE a collateral mortgage over lands described as:

PLAN F
LOT 6


for the principal sum of \$5,218,904.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the “**Mortgage**”). The

Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 430AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure
c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399430 Alberta Ltd., an insolvent person

Take notice that:

1. Mike Priestner Real Estate Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) Lands legally described as:
 - (i) PLAN F
LOT 6

(the "**Lands**").
 - (b) All rents and revenues derived from or in relation to the Lands.
2. The security that is to be enforced is the following:
 - (a) Mortgage dated January 27, 2022.
3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$5,446,532.66, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at Edmonton, Alberta, this 25th day of November, 2022.

MIKE PRIESTNER REAL ESTATE INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A04DD4E672FB48F...
Nicholas C. Williams

This is Exhibit "R" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor



Property Tax Search

Date: November 29, 2022

Account: 1228758

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

Property Address: 10315 109 STREET NW EDMONTON AB T5J 1N3

Legal Description: Plan: B2 Block: 8 Lot: 115 / Plan: B2 Block: 8 Lot: 116 / Plan: B2 Block: 8 Lot: 117

Assessed Parcel Description: Lots 115 to 117 Only

Mortgage Company Billed: No Monthly Payment Plan: No

Valuation Group: RETAIL

Community Revitalization Levy Area: N: DOWNTOWN

Owner Name:

Owners Address:

Assessment Year: 2022

Assessment: 3,235,500

Year Built: 1936

Land Use Description

Tax Class

Taxable Status

200 Mixed-use retail building

COMMERCIAL

100 %

200: (100%): FULLY TAXABLE JAN-2022 TO DEC-2022

Property Tax		Account Status	
Prior Year:	2021		
Taxes:	\$58,645.35	Tax Arrears:	\$.00
Annual Local Improvements:	\$.00	Penalty:	\$.00
Total Prior Year Taxes:	\$58,645.35	Arrears Sub-Total:	\$.00
Tax Year:	2022	Current Taxes:	\$50,977.71
Taxes:	\$81,478.93	Penalty:	\$7,646.67
Annual Local Improvements:**	\$.00	Current Sub-Total:	\$58,624.38
Total Current Year Taxes:	\$81,478.93	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owing on November 29, 2022	\$58,624.38

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).

QUESTIONS? Visit edmonton.ca/taxes e-mail taxes@edmonton.ca call 311 (780-442-5311)

Edmonton Service Centre, Edmonton Tower, 2nd Floor 10111 - 104 Ave NW, Edmonton AB T5J 0J4

This is Exhibit "S" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

Date: November 29, 2022

Account: 10010215

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

Property Address: 10507 SASKATCHEWAN DRIVE NW EDMONTON AB T6E 4S1

Legal Description: Plan: I2 Block: 103 Lot: 6

Assessed Parcel Description:

Mortgage Company Billed: No Monthly Payment Plan: No

Valuation Group: OFFICE

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Assessment Year: 2022

Assessment: 1,721,000

Year Built: 1980

Land Use Description

Tax Class

Taxable Status

221 Suburban office

COMMERCIAL

100 %

221: (100%): FULLY TAXABLE JAN-2022 TO DEC-2022

Property Tax		Account Status	
Prior Year:	2021		
Taxes:	\$41,560.07	Tax Arrears:	\$.00
Annual Local Improvements:	\$121.81	Penalty:	\$.00
Total Prior Year Taxes:	\$41,681.88	Arrears Sub-Total:	\$.00
		Current Taxes:	\$43,339.58
Tax Year:	2022	Penalty:	\$6,500.94
Taxes:	\$43,339.58	Current Sub-Total:	\$49,840.52
Annual Local Improvements:**	\$.00	Other Charges:	\$.00
Total Current Year Taxes:	\$43,339.58	Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owning on November 29, 2022	\$49,840.52

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).

This is Exhibit "T" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor



Property Tax Search

Date: November 29, 2022

Account: 3803491

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

Property Address: 10503 81 AVENUE NW EDMONTON AB

Legal Description: Plan: 9220734 Block: 48 Lot: 1A

Assessed Parcel Description:

Mortgage Company Billed: No Monthly Payment Plan:

Valuation Group: RETAIL

Community Revitalization Levy Area:

Owner Name:

Owners Address:

Assessment Year: 2022 Assessment: 1,849,000 Year Built: 1912

Land Use Description	Tax Class	Taxable Status
210 Free-standing restaurant/bar	COMMERCIAL	100 % 210: (100%): FULLY TAXABLE JAN-2022 TO DEC-2022

Property Tax		Account Status	
Prior Year:	2021		
Taxes:	\$47,343.71	Tax Arrears:	\$.00
Annual Local Improvements:	\$10.00	Penalty:	\$.00
Total Prior Year Taxes:	\$47,353.71	Arrears Sub-Total:	\$.00
Tax Year:	2022	Current Taxes:	\$42,843.14
Taxes:	\$46,562.99	Penalty:	\$6,426.48
Annual Local Improvements:**	\$10.00	Current Sub-Total:	\$49,269.62
Total Current Year Taxes:	\$46,572.99	Other Charges:	\$.00
		Penalty:	\$.00
		Other Charges Sub-Total:	\$.00
		Total Balance Owing on November 29, 2022	\$49,269.62

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).

This is Exhibit "U" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399449 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to MPRE GP Dev Inc. – 2399449 Alberta Ltd.

Please be advised that we are the solicitors for MPRE GP Dev Inc. (“MPRE”) in respect of its dealings with 2399449 Alberta Ltd. (“449AB”). Our client advises that 449AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$10,661,504.64, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 449AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;

(the sum of (a) - (c) is referred to herein as the “Indebtedness”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 449AB granted to MPRE a collateral mortgage over lands described as:

PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERAL

-and-

DESCRIPTIVE PLAN 9220734
BLOCK 48

LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN I2
BLOCK 103
LOT 6

for the principal sum of \$10,106,096.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the "**Mortgage**"). The Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 449AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure
c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399449 Alberta Ltd., an insolvent person

Take notice that:

1. MPRE GP Dev Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

(a) Lands legally described as:

- (i) PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (ii) DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (iii) PLAN I2
BLOCK 103
LOT 6

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

(b) All rents and revenues derived from or in relation to the Lands.

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


(a) Mortgage dated January 27, 2022.

3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$10,661,504.64, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.


Dated at Edmonton, Alberta, this 25th day of November, 2022.

MPRE GP DEV INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A84DD4E872FB45F...
Nicholas C. Williams

This is Exhibit "V" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

Turnip Homes Inc.
c/o Registered Office
201, 2520 Ellwood Drive SW
Edmonton, AB T6X 0A9

Dear Sir/Madam:

RE: Indebtedness to Mike Priestner Real Estate Inc. – Turnip Homes Inc.

Please be advised that we are the solicitors for Mike Priestner Real Estate Inc. (“MPRE”) in respect of its dealings with 2399430 Alberta Ltd. (“430AB”) and you.

Our client advises that pursuant to a Guarantee dated January 27, 2022 (the “Guarantee”) you guaranteed to MPRE payment of all indebtedness of 430AB to MPRE, plus accruing interest, and legal costs.

Our client advises that 430AB is indebted to MPRE for the following indebtedness, without limitation:


- (a) Mortgage - outstanding balance as at October 31, 2022 of \$5,466,532.66, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
 - (b) any additional credit extended or advanced by MPRE to 430AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
 - (c) costs on a solicitor and his own client basis;
- (the sum of (a) - (c) is referred to herein as the “Indebtedness”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness, plus accruing interest, plus legal costs. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* which were sent on behalf of our client to 430AB, provided to you as a guarantor of the Indebtedness.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosures
c.c. client (*via email*)

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399430 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to Mike Priestner Real Estate Inc. – 2399430 Alberta Ltd.

Please be advised that we are the solicitors for Mike Priestner Real Estate Inc. (“MPRE”) in respect of its dealings with 2399430 Alberta Ltd. (“430AB”). Our client advises that 430AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$5,466,532.66, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 430AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;

(the sum of (a) - (c) is referred to herein as the “**Indebtedness**”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 430AB granted to MPRE a collateral mortgage over lands described as:

PLAN F
LOT 6

for the principal sum of \$5,218,904.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the “**Mortgage**”). The

Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 430AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure
c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399430 Alberta Ltd., an insolvent person

Take notice that:


1. Mike Priestner Real Estate Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) Lands legally described as:
 - (i) PLAN F
LOT 6

(the "**Lands**").
 - (b) All rents and revenues derived from or in relation to the Lands.
2. The security that is to be enforced is the following:
 - (a) Mortgage dated January 27, 2022.
3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$5,446,532.66, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.


Dated at Edmonton, Alberta, this 25th day of November, 2022.

MIKE PRIESTNER REAL ESTATE INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A04DD4E672FB48F...
Nicholas C. Williams

This is Exhibit "W" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

Turnip Homes Inc.
c/o Registered Office
201, 2520 Ellwood Drive SW
Edmonton, AB T6X 0A9

Dear Sir/Madam:

RE: Indebtedness to MPRE GP Dev Inc. – Turnip Homes Inc.

Please be advised that we are the solicitors for MPRE GP Dev Inc. (“MPRE”) in respect of its dealings with 2399449 Alberta Ltd. (“449AB”) and you.

Our client advises that pursuant to a Guarantee dated January 27, 2022 (the “Guarantee”) you guaranteed to MPRE payment of all indebtedness of 449AB to MPRE, plus accruing interest, and legal costs.

Our client advises that 449AB is indebted to MPRE for the following indebtedness, without limitation:


- (a) Mortgage - outstanding balance as at October 31, 2022 of \$10,661,504.64, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
 - (b) any additional credit extended or advanced by MPRE to 449AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
 - (c) costs on a solicitor and his own client basis;
- (the sum of (a) - (c) is referred to herein as the “Indebtedness”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness, plus accruing interest, plus legal costs. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* which were sent on behalf of our client to 449AB, provided to you as a guarantor of the Indebtedness.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosures
c.c. client (*via email*)

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399449 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to MPRE GP Dev Inc. – 2399449 Alberta Ltd.

Please be advised that we are the solicitors for MPRE GP Dev Inc. (“MPRE”) in respect of its dealings with 2399449 Alberta Ltd. (“449AB”). Our client advises that 449AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$10,661,504.64, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
 - (b) any additional credit extended or advanced by MPRE to 449AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
 - (c) costs on a solicitor and his own client basis;
- (the sum of (a) - (c) is referred to herein as the “**Indebtedness**”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 449AB granted to MPRE a collateral mortgage over lands described as:

PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERAL

-and-

DESCRIPTIVE PLAN 9220734
BLOCK 48

LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-

PLAN I2
BLOCK 103
LOT 6

for the principal sum of \$10,106,096.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the "**Mortgage**"). The Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 449AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure
c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399449 Alberta Ltd., an insolvent person

Take notice that:

1. MPRE GP Dev Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

(a) Lands legally described as:

- (i) PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (ii) DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (iii) PLAN I2
BLOCK 103
LOT 6

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

(b) All rents and revenues derived from or in relation to the Lands.

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


(a) Mortgage dated January 27, 2022.

3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$10,661,504.64, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at Edmonton, Alberta, this 25th day of November, 2022.

MPRE GP DEV INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A94DD4E072FB48F...
Nicholas C. Williams

This is Exhibit "X" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta
Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

Henok Kassaye
300, 9316 – 82 Avenue
Edmonton, AB T6C 0Z6

Dear Sir:

RE: Indebtedness to Mike Priestner Real Estate Inc. – Turnip Homes Inc.

Please be advised that we are the solicitors for Mike Priestner Real Estate Inc. (“MPRE”) in respect of its dealings with 2399430 Alberta Ltd. (“430AB”) and you.

Our client advises that pursuant to a Guarantee dated January 27, 2022 (the “Guarantee”) you guaranteed to MPRE payment of all indebtedness of 430AB to MPRE, plus accruing interest, and legal costs.

Our client advises that 430AB is indebted to MPRE for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$5,466,532.66, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
 - (b) any additional credit extended or advanced by MPRE to 430AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
 - (c) costs on a solicitor and his own client basis;
- (the sum of (a) - (c) is referred to herein as the “Indebtedness”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness, plus accruing interest, plus legal costs. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* which were sent on behalf of our client to 430AB, provided to you as a guarantor of the Indebtedness.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosures
c.c. client (*via email*)

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399430 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to Mike Priestner Real Estate Inc. – 2399430 Alberta Ltd.

Please be advised that we are the solicitors for Mike Priestner Real Estate Inc. (“MPRE”) in respect of its dealings with 2399430 Alberta Ltd. (“430AB”). Our client advises that 430AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$5,466,532.66, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 430AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;

(the sum of (a) - (c) is referred to herein as the “**Indebtedness**”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 430AB granted to MPRE a collateral mortgage over lands described as:

PLAN F
LOT 6


for the principal sum of \$5,218,904.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the “**Mortgage**”). The

Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 430AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure

c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399430 Alberta Ltd., an insolvent person

Take notice that:


1. Mike Priestner Real Estate Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) Lands legally described as:
 - (i) PLAN F
LOT 6

(the "**Lands**").
 - (b) All rents and revenues derived from or in relation to the Lands.
2. The security that is to be enforced is the following:
 - (a) Mortgage dated January 27, 2022.
3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$5,446,532.66, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at Edmonton, Alberta, this 25th day of November, 2022.

MIKE PRIESTNER REAL ESTATE INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A04DD4E672FB4BF...
Nicholas C. Williams

This is Exhibit "Y" referred to in the Affidavit of
Christopher Burrows sworn before me on
December 6, 2022



Commissioner for Oaths in and for the
Province of Alberta

Kyle W. Runzer
Barrister and Solicitor

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

Henok Kassaye
300, 9316 – 82 Avenue
Edmonton, AB T6C 0Z6

Dear Sir:

RE: Indebtedness to MPRE GP Dev Inc. – Henok Kassaye

Please be advised that we are the solicitors for MPRE GP Dev Inc. (“MPRE”) in respect of its dealings with 2399449 Alberta Ltd. (“449AB”) and you.

Our client advises that pursuant to a Guarantee dated January 27, 2022 (the “Guarantee”) you guaranteed to MPRE payment of all indebtedness of 449AB to MPRE, plus accruing interest, and legal costs.

Our client advises that 449AB is indebted to MPRE for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$10,661,504.64, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 449AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;


(the sum of (a) - (c) is referred to herein as the “Indebtedness”).

On behalf of our client, we hereby demand payment of the above-noted Indebtedness, plus accruing interest, plus legal costs. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act* which were sent on behalf of our client to 449AB, provided to you as a guarantor of the Indebtedness.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A94DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosures
c.c. client (*via email*)

大成 DENTONS

Nicholas C. Williams
Senior Associate
nicholas.williams@dentons.com
D +1 780 423 7325

Dentons Canada LLP
2500 Stantec Tower
10220 - 103 Avenue NW
Edmonton, AB, Canada T5J 0K4

dentons.com

November 25, 2022

File No.: 511055-121/NCW

DELIVERED VIA REGISTERED MAIL

2399449 Alberta Ltd.
c/o Registered Office
2200, 10235 – 101 Street NW
Edmonton, AB T5J 3G1

Dear Sir/Madam:

RE: Indebtedness to MPRE GP Dev Inc. – 2399449 Alberta Ltd.

Please be advised that we are the solicitors for MPRE GP Dev Inc. ("MPRE") in respect of its dealings with 2399449 Alberta Ltd. ("449AB"). Our client advises that 449AB is indebted to it for the following indebtedness, without limitation:

- (a) Mortgage - outstanding balance as at October 31, 2022 of \$10,661,504.64, plus interest thereon and thereafter at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time;
- (b) any additional credit extended or advanced by MPRE to 449AB in the absolute discretion of MPRE from and after October 31, 2022, plus interest thereon; and
- (c) costs on a solicitor and his own client basis;

(the sum of (a) - (c) is referred to herein as the "Indebtedness").

On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

By a Mortgage dated January 27, 2022, 449AB granted to MPRE a collateral mortgage over lands described as:

PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERAL

-and-

DESCRIPTIVE PLAN 9220734
BLOCK 48

LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS

-and-


PLAN I2
BLOCK 103
LOT 6

for the principal sum of \$10,106,096.00, plus interest at the rate of 4.50% per annum above the prime rate of interest maintained by Royal Bank of Canada from time to time, plus any and all costs incurred by MPRE, including all professional fees and legal costs on a solicitor and his own client basis (the "**Mortgage**"). The Mortgage secures the above noted Indebtedness. On behalf of MPRE, we hereby demand payment in accordance with the terms of the Mortgage.

Please find enclosed for service upon 449AB a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*.

Please note that our client reserves the right to accelerate the time for payment set out in this letter and the time set out in the attached Notice if it comes to believe that it is in its interest to do so.

Regards,
Dentons Canada LLP

DocuSigned by:

A04DD4E672FB4BF...

Nicholas C. Williams
Senior Associate

Enclosure
c.c. client (*via email*)

FORM 86

Notice of Intention to Enforce a Security
(Rule 124)

To: 2399449 Alberta Ltd., an insolvent person

Take notice that:

1. MPRE GP Dev Inc. (the "**Secured Party**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

(a) Lands legally described as:

- (i) PLAN B2
BLOCK 8
LOTS 115 TO 117 INCLUSIVE
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (ii) DESCRIPTIVE PLAN 9220734
BLOCK 48
LOT 1A
EXCEPTING THEREOUT ALL MINES AND MINERALS
- (iii) PLAN I2
BLOCK 103
LOT 6

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

(b) All rents and revenues derived from or in relation to the Lands.

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

(a) Mortgage dated January 27, 2022.

3. The total amount of indebtedness secured by the security is, as of October 31, 2022, \$10,661,504.64, plus any additional credit extended to the insolvent person by the Secured Party in its absolute discretion, plus accruing interest and legal costs.
4. The Secured Party will not have the right to enforce the security until after the expiry of the ten (10) day period after this notice is sent, unless otherwise ordered by the Court of King's Bench in the Province of Alberta or unless the insolvent person consents to an earlier enforcement.

Dated at Edmonton, Alberta, this 25th day of November, 2022.

MPRE GP DEV INC.

By its solicitors and agents, Dentons Canada LLP

DocuSigned by:

Per: _____
A84DD4E072PB48F...
Nicholas C. Williams