

Clerk's Stamp:

COURT FILE NUMBER 2203 04647

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS 1692260 ALBERTA LTD., BIRKILL HOLDINGS LTD., R. BIRKILL PROFESSIONAL CORPORATION, 1015314 ALBERTA LTD., and RICHARD BIRKILL

DOCUMENT AFFIDAVIT IN SUPPORT OF APPLICATION FOR APPOINTMENT OF A RECEIVER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dean A. Hitesman  
Dentons Canada LLP  
2500 Stantec Tower  
10220 – 103 Avenue  
Edmonton, Alberta T5J 0K4  
Ph. (780) 423-7284  
Fax. (780) 423-7276  
File No.: 125665-9207/DAH

Sworn on MARCH 22, 2022

I, Jocelyn Beriault, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am a Senior Manager in the Special Loans and Advisory division of the Royal Bank of Canada ("RBC"), the Plaintiff in these proceedings and as such have knowledge of the facts and matters hereinafter deposed to by me, except where stated to be based upon information and belief and where so stated I do verily believe the same to be true.
2. RBC is a Bank to which the *Bank Act* (Canada) applies.
3. The Defendants, 1692260 Alberta Ltd. ("**169**"), Birkill Holdings Ltd. ("**Birkill Holdings**"), R. Birkill Professional Corporation ("**Birkill PC**"), 1015314 Alberta Ltd. ("**101**"), and Richard Birkill ("**Dr. Birkill**") are customers and/or debtors of RBC. I am one of the persons at RBC responsible for the administration of the accounts of the Defendants insofar as concerns the matters raised in the Statement of Claim in these proceedings.
4. I am authorized to make this Affidavit on behalf of RBC.
5. Attached to my Affidavit and collectively marked as **Exhibit "A"** are a true copies of the Alberta Corporate Registry searches for 169, Birkill Holdings, Birkill PC, and 101.

6. Dr. Birkill is the sole director of 169, Birkill Holdings, Birkill PC, and 101, and he operates a general medical practice in Lac La Biche, Alberta.
7. RBC is the primary banker for 169, Birkill Holdings, and Birkill PC.

#### **169's DIRECT INDEBTEDNESS**

8. 169 borrowed money from RBC which it agreed to repay to RBC with interest. As a result of such borrowing, 169 is directly indebted to RBC as follows:
  - a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
  - b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum above the prime rate of interest maintained by RBC from time to time ("**Prime**");
  - c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum (the "**Commercial Mortgage Indebtedness**");
  - d. any additional credit extended or advanced by RBC to 169 in the absolute discretion of RBC from and after March 10, 2022, plus interest thereon; and
  - e. legal costs payable on a solicitor and own client, full indemnity basis

(all sums payable to RBC in paragraphs (a) – (e) above are herein collectively referred to as the "**169 Indebtedness**").
9. Attached to my Affidavit and collectively marked as **Exhibit "B"** are true copies of agreements evidencing the 169 Indebtedness.
10. Attached to my Affidavit and collectively marked as **Exhibit "C"** are true copies of entries made in the usual and ordinary course of business of RBC in books or records which were at the time of the making of the entries one of the ordinary books or records of RBC. The books or records are in the custody and control of RBC. Exhibit "C" evidences the 169 Indebtedness other than costs.

#### **BIRKILL HOLDINGS' DIRECT INDEBTEDNESS**

11. Birkill Holdings borrowed money from RBC which it agreed to repay to RBC with interest. As a result of such borrowing, Birkill Holdings is directly indebted to RBC as follows:
  - a. Residential Mortgage #8799-93620888-001- outstanding balance as at March 10, 2022, of \$431,970.19, plus interest thereon and thereafter at the rate of 2.69% per annum (the "**Residential Mortgage Indebtedness**");
  - b. any additional credit extended or advanced by RBC to Birkill Holdings in the absolute discretion of RBC from and after March 10, 2022, plus interest thereon; and
  - c. legal costs payable on a solicitor and own client, full indemnity basis

(all sums payable to RBC in paragraphs (a) – (c) above are herein collectively referred to as the “**Birkill Holdings Indebtedness**”).

12. Attached to my Affidavit and collectively marked as **Exhibit “D”** are true copies of agreements evidencing the Birkill Holdings Indebtedness.
13. Attached to my Affidavit and collectively marked as **Exhibit “E”** are true copies of entries made in the usual and ordinary course of business of RBC in books or records which were at the time of the making of the entries one of the ordinary books or records of RBC. The books or records are in the custody and control of RBC. Exhibit “E” evidences the Birkill Holdings Indebtedness other than costs.

#### **BIRKILL PC'S DIRECT INDEBTEDNESS**

14. Birkill PC borrowed money from RBC which it agreed to repay to RBC with interest. As a result of such borrowing, Birkill PC is directly indebted to RBC as follows:
  - a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% per annum above Prime;
  - b. Overdrawn Account #08799-1002187 - outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate or 5.00% per annum above Prime;
  - c. any additional credit extended or advanced by RBC to Birkill PC in the absolute discretion of RBC from and after March 10, 2022, plus interest thereon; and
  - d. legal costs payable on a solicitor and own client, full indemnity basis

(all sums payable to RBC in paragraphs (a) – (d) above are herein collectively referred to as the “**Birkill PC Direct Indebtedness**”).

15. Attached to my Affidavit and collectively marked as **Exhibit “F”** are true copies of agreements evidencing the Birkill PC Direct Indebtedness.
16. Attached to my Affidavit and collectively marked as **Exhibit “G”** are true copies of entries made in the usual and ordinary course of business of RBC in books or records which were at the time of the making of the entries one of the ordinary books or records of RBC. The books or records are in the custody and control of RBC. Exhibit “G” evidences the Birkill PC Direct Indebtedness other than costs.

#### **THE GUARANTEES**

17. On or about March 8, 2016, Birkill PC granted to RBC a Guarantee and Postponement of Claim, guaranteeing to RBC all of the indebtedness of 169 to RBC, limited to the principal amount of \$850,000.00, plus interest from the date of demand at the rate of 5.00% per annum above Prime, plus legal costs (the “**Birkill PC Guarantee**”). Attached to my Affidavit and marked as **Exhibit “H”** is a copy of the Birkill PC Guarantee.

18. As a result of the Birkill PC Guarantee, Birkill PC is indirectly indebted to RBC for the 169 Indebtedness, in the principal amount of \$850,000.00, plus interest from March 18, 2022 at the rate of 5.00% per annum above Prime, plus legal costs (the "**Birkill PC Indirect Indebtedness**").
19. On or about June 29, 2012, 101 granted to RBC a Guarantee and Postponement, guaranteeing to RBC all of the indebtedness of Birkill PC to RBC, limited to the sum of \$150,000.00, plus interest from the date of demand at the rate of 5.00% per annum above Prime, plus costs on a solicitor and own client basis (the "**First 101 Guarantee**"). Attached to my Affidavit and marked as **Exhibit "I"** is a copy of the First 101 Guarantee.
20. On or about May 5, 2018, 101 granted to RBC a Guarantee and Postponement of Claim, guaranteeing to RBC all of the indebtedness of Birkill PC to RBC, limited to the sum of \$278,000.00, plus interest from the date of demand at the rate of 5.00% per annum above Prime, plus costs on a solicitor and own client basis (the "**Second 101 Guarantee**"). Attached to my Affidavit and marked as **Exhibit "J"** is a copy of the Second 101 Guarantee.
21. As a result of the First 101 Guarantee and Second 101 Guarantee, 101 is indirectly indebted to RBC for the Birkill PC Direct Indebtedness and Birkill PC Indirect Indebtedness, in the principal amount of \$428,000.00, plus interest at the rate of 5.00% per annum above Prime from March 18, 2022, plus costs on a solicitor and own client basis (the "**101 Indirect Indebtedness**").
22. On or about January 12, 2018, Dr. Birkill granted to RBC a Guarantee of Mortgage, guaranteeing to RBC all of the Commercial Mortgage Indebtedness of 169 to RBC, limited to the principal amount of \$630,720.00, plus interest at the rate of 18.00% per annum from demand, plus costs on a solicitor and its own client basis (the "**First Dr. Birkill Guarantee**"). Attached to my Affidavit and marked as **Exhibit "K"** is a copy of the First Dr. Birkill Guarantee.
23. On or about March 27, 2013, Dr. Birkill granted to RBC a Guarantee of Residential Mortgage, guaranteeing to RBC all of the Residential Mortgage Indebtedness of Birkill Holdings to RBC, plus costs on a solicitor and his own client basis (the "**Second Dr. Birkill Guarantee**"). Attached to my Affidavit and marked as **Exhibit "L"** is a copy of the Second Dr. Birkill Guarantee.
24. On or about July 31, 2012, Dr. Birkill granted to RBC a Guarantee and Postponement of Claim, guaranteeing to RBC all of the indebtedness of Birkill PC to RBC, limited to the principal amount of \$250,000.00, plus interest from the date of demand at the rate of 5.00% per annum above Prime, plus costs on a solicitor and own client basis (the "**Third Dr. Birkill Guarantee**"). Attached to my Affidavit and marked as **Exhibit "M"** is a copy of the Third Dr. Birkill Guarantee.
25. As a result of the First Dr. Birkill Guarantee, Second Dr. Birkill Guarantee, and Third Dr. Birkill Guarantee, Dr. Birkill is indirectly indebted to RBC in the amounts of:
  - a. \$630,720.00, plus interest at the rate of 18.00% per annum from March 18, 2022;
  - b. \$431,970.19, plus interest at the rate of 2.69% per annum from March 10, 2022;
  - c. \$250,000.00, plus interest at the rate of 5.00% per annum above Prime from March 18, 2022; and
  - d. costs on a solicitor and its own client basis;

(all sums payable to RBC in paragraphs (a) – (d) above are herein collectively referred to as the “**Dr. Birkill Indirect Indebtedness**”).

### **THE 169 SECURITY**

26. On or about March 3, 2016, 169 granted to RBC a General Security Agreement (the “**GSA**”) securing to RBC all of its present and after acquired personal property, including, without limitation, all accounts receivable, goods, equipment, inventory, intellectual property and the proceeds thereof. The GSA secures all of the 169 Indebtedness. Attached to my Affidavit and marked as **Exhibit “N”** is a true copy of the GSA.
27. On or about January 12, 2018, 169 further granted to RBC a Site Specific Security Agreement (the “**SSSA**”) securing to RBC all of its present and after acquired personal property situate on, used in connection with, or arising from the business or affairs carried on, at or about 10310 & 10318 – 102 Avenue, Lac La Biche. The SSSA secures all of the 169 Indebtedness. Attached hereto and marked as **Exhibit “O”** is a true copy of the SSSA.
28. By way of Postponement of Rights Under the Personal Property Security Act dated January 12, 2018 (the “**PPR Postponement**”), Agricultural Financial Services Corporation agreed to postpone all of its rights and interest as against 169, perfected by registration at the Personal Property Registry of Alberta as registration 13090934028, to RBC’s security interests pursuant to the SSSA. Attached hereto and marked as **Exhibit “P”** is a true copy of the PPR Postponement.
29. RBC has perfected its security interests created by the GSA and SSSA by way of registration at the Personal Property Registry of Alberta. Attached to my Affidavit and marked as **Exhibit “Q”** is a true copy of the Alberta Personal Property Registry search of 169.
30. Pursuant to a Commercial Mortgage dated January 12, 2018 (the “**Commercial Mortgage**”) and registered at the Land Titles Office as registration 182 036 609, 169 granted to RBC a mortgage in the principal amount of \$1,576,800.00, plus interest at the rate of 18.00% per annum from demand, plus costs on a solicitor and its own client basis, over real property legally described as

PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the “**Commercial Lands**”).

The Commercial Mortgage secures payment of the Commercial Mortgage Indebtedness. Attached to my Affidavit and marked as **Exhibit “R”** is a true copy of the Commercial Mortgage. Attached to my Affidavit and marked as **Exhibit “S”** is a true copy of the Land Title Certificate for the Commercial Lands.

31. 169 also granted to RBC an Assignment of Rents dated January 12, 2018 and registered at the Land Titles Office as registration 182 036 610 (the “**Commercial Lands Assignment of Rents**”), assigning all leases and rents derived from the Commercial Lands as security for the Commercial Mortgage Indebtedness. Attached to my Affidavit and marked as **Exhibit “T”** is a true copy of the Commercial Lands Assignment of Rents.

32. On or about January 12, 2018, 169 granted to RBC an Assignment of Insurance Interest (the "**Assignment of Insurance**"), assigning to RBC all right, title, and interest under any policies of insurance covering the personal property and any policies of insurance against fire, boiler explosion and other perils, liabilities, or events of any nature whatsoever pertaining to the premises at the Commercial Lands. Attached to my Affidavit and marked as **Exhibit "U"** is a true copy of the Assignment of Insurance.

33. Pursuant to a Collateral Mortgage dated March 3, 2016 (the "**Collateral Mortgage**") and registered at the Land Titles Office as registration 162 077 785, 169 further granted to RBC a mortgage in the principal amount of \$1,000,000.00, plus interest at the rate of 5.00% per annum above Prime from the date of demand, plus costs on a solicitor and his own client basis, over real property legally described as

PLAN 581HW  
BLOCK 1  
LOTS 4 TO 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK SAME

(the "**Collateral Lands**").

The Collateral Mortgage secures all of the 169 Indebtedness. Attached to my Affidavit and marked as **Exhibit "V"** is a true copy of the Collateral Mortgage. Attached to my Affidavit and marked as **Exhibit "W"** is a true copy of the Land Title Certificate for the Collateral Lands.

34. 169 also granted to RBC a General Assignment of Leases and Rents dated March 3, 2016 and registered at the Land Titles Office as registration 162 077 786 (the "**Collateral Lands Assignment of Rents**"), assigning all leases and rents derived from the Collateral Lands as security for the 169 Indebtedness. Attached to my Affidavit and marked as **Exhibit "X"** is a true copy of the Collateral Lands Assignment of Rents.

35. Default has been made in payment of the 169 Indebtedness as secured by the GSA, SSSA, Commercial Mortgage, Commercial Lands Assignment of Rents, Assignment of Insurance, Collateral Mortgage, and Collateral Lands Assignment of Rents (collectively, the "**169 Security**"). All sums secured by the 169 Security are due and owing.

#### **THE BIRKILL HOLDINGS SECURITY**

36. Pursuant to a Mortgage dated March 28, 2103 (the "**Birkill Holdings Mortgage**") and registered at the Land Titles Office as registration 132 093 558, Birkill Holdings granted to RBC a mortgage in the principal amount of \$612,000.00, plus interest at the rate of 2.69% per annum, plus costs on a solicitor and own client basis, over real property legally described as

PLAN 4313BF  
BLOCK 10  
LOT 24  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Birkill Holdings Lands**").

The Birkill Holdings Mortgage secures payment of the Birkill Holdings Indebtedness. Attached to my Affidavit and marked as **Exhibit "Y"** is a true copy of the Birkill Holdings Mortgage. Attached to my Affidavit and marked as **Exhibit "Z"** is a true copy of the Land Title Certificate for the Birkill Holdings Lands.

37. Attached to my Affidavit and marked as **Exhibit "AA"** is a true copy of the Alberta Personal Property Registry search for Birkill Holdings.
38. Default has been made in payment of the principal sum and payment of interest secured by the Birkill Holdings Mortgage. All sums secured by the Birkill Holdings Mortgage are due and owing.

#### **THE BIRKILL PC SECURITY**

39. Pursuant to the Birkill PC Guarantee, Birkill PC did grant to RBC an assignment of all indebtedness of 169 to Birkill PC as security for all of the Birkill PC Indirect Indebtedness (the "**Birkill PC Assignment**").
40. RBC has perfected its security interest created by the Birkill PC Assignment by way of registration at the Personal Property Registry of Alberta. Attached to my Affidavit and marked as **Exhibit "BB"** is a true copy of the Alberta Personal Property Registry search of Birkill PC.
41. Default has been made in payment of the amounts secured by the Birkill PC Assignment. All sums secured by the Birkill PC Assignment are due and owing.

#### **THE 101 SECURITY**

42. Pursuant to the First 101 Guarantee, 101 did grant to RBC an assignment of all indebtedness of Birkill PC to 101 as security for the 101 Indirect Indebtedness (the "**First 101 Assignment**").
43. Pursuant to the Second 101 Guarantee, 101 did grant to RBC an assignment of all indebtedness of Birkill PC to 101 as security for the 101 Indirect Indebtedness (the "**Second 101 Assignment**").
44. RBC has perfected its security interests created by the First 101 Assignment and Second 101 Assignment by way of registration at the Personal Property Registry of Alberta. Attached to my Affidavit and marked as **Exhibit "CC"** is a true copy of the Alberta Personal Property Registry search of 101.
45. Default has been made in payment of the amounts secured by the First 101 Assignment and Second 101 Assignment. All sums secured by the First 101 Assignment and Second 101 Assignment are due and owing.

#### **DR. BIRKILL SECURITY**

46. On or about January 12, 2018, Dr. Birkill granted to RBC a Postponement and Assignment of Claim (the "**Dr. Birkill / 169 Assignment**") assigning, postponing, and subordinating any indebtedness of 169 owed to Dr. Birkill to RBC. The Dr. Birkill / 169 Assignment secures all of the Dr. Birkill Indirect Indebtedness. Attached to my Affidavit and marked as **Exhibit "DD"** is a true copy of the Dr. Birkill /169 Assignment.

47. Pursuant to the Third Dr. Birkill Guarantee, Dr. Birkill did grant to RBC an assignment of all indebtedness of Birkill PC to Dr. Birkill as security for the Dr. Birkill Indirect Indebtedness (the "**Dr. Birkill / Birkill PC Assignment**").
48. RBC has perfected its security interests created by the Dr. Birkill / 169 Assignment and Dr. Birkill / Birkill PC Assignment by way of registration in the Alberta Personal Property Registry. Attached to my Affidavit as **Exhibit "EE"** is a true copy of the Alberta Personal Property search of Dr. Birkill.

### **DEMANDS AND DEFAULTS**

49. On or about March 18, 2022, RBC demanded payment of the 169 Indebtedness, but 169 has failed or neglected and continue to fail or neglect to pay the same. Concurrent with the issuance of the demand for payment, BMO did serve on 169 a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**"). Attached to my Affidavit and collectively marked as **Exhibit "FF"** are copies of the demand and BIA notice.
50. The 169 Indebtedness is fully due, owing, and payable to RBC.
51. On or about March 18, 2022, RBC demanded payment of the Birkill Holdings Indebtedness, but Birkill Holdings has failed or neglected and continue to fail or neglect to pay the same. Concurrent with the issuance of the demand for payment, BMO did serve on Birkill Holdings a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Attached to my Affidavit and collectively marked as **Exhibit "GG"** are copies of the demand and BIA notice.
52. The Birkill Holdings Indebtedness is fully due, owing, and payable to RBC.
53. On or about March 18, 2022, RBC demanded payment of the Birkill PC Direct Indebtedness and Birkill PC Indirect Indebtedness, but Birkill PC has failed or neglected and continue to fail or neglect to pay the same. Concurrent with the issuance of the demand for payment, BMO did serve on Birkill PC a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Attached to my Affidavit and collectively marked as **Exhibit "HH"** are copies of the demand and BIA notice.
54. The Birkill PC Direct Indebtedness and Birkill PC Indirect Indebtedness are fully due, owing, and payable to RBC.
55. On or about March 18, 2022, RBC demanded payment of the 101 Indirect Indebtedness, but 101 has failed or neglected and continue to fail or neglect to pay the same. Concurrent with the issuance of the demand for payment, BMO did serve on 101 a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Attached to my Affidavit and collectively marked as **Exhibit "II"** are copies of the demand and BIA notice.
56. The Birkill PC Direct Indebtedness and Birkill PC Indirect Indebtedness are fully due, owing, and payable to RBC.
57. On or about March 18, 2022, RBC demanded payment of the Dr. Birkill Indirect Indebtedness, but Dr. Birkill has failed or neglected and continue to fail or neglect to pay the same. Concurrent with the issuance of the demand for payment, BMO did serve on Dr. Birkill a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Attached to my Affidavit and collectively marked as **Exhibit "JJ"** are copies of the demand and BIA notice.



58. The Dr. Birkill Indirect Indebtedness are fully due, owing, and payable to RBC.

**APPOINTMENT OF RECEIVER**

59. RBC has lost confidence in the ability of the management of 169 and Birkill Holdings to continue to operate its business.
60. The Defendants are in default of their obligations to RBC, including but not limited to payment obligations.
61. The GSA, SSSA, Commercial Mortgage, Collateral Mortgage, and Birkill Holdings Mortgage referenced in this Affidavit allow and provide for the appointment of a Receiver by RBC.
62. In addition to the demand nature of the 169 Indebtedness and the Birkill Holdings Indebtedness, demands having been issued, and the failure of 169 and Birkill Holdings to pay the same, 169 and Birkill Holdings have been in breach of their respective covenants with RBC, including, without limitation:
- a. Dr. Birkill has informed RBC that he no longer intends to continue to manage the Commercial Lands, the Collateral Lands or the Birkill Holdings Lands and has asked RBC if he can "hand in the keys";
  - b. There has been a material adverse change in the circumstances of 169 and Birkill Holdings, as well as in management offered by Dr. Birkill;
  - c. The lands mortgaged to RBC all contain residential complexes containing tenants, the details of which include the following:
    - i. The Commercial Lands comprise a 24 unit residential complex;
    - ii. The Collateral Lands comprise a 15 unit residential complex;
    - iii. The Birkill Holdings Lands comprise 5 unit residential complex;
  - d. The occupancy and rent status of each of the Commercial Lands, the Collateral Lands or the Birkill Holdings Lands are currently unknown to RBC and Dr. Birkill has been unable to provide this information despite request by RBC;
  - e. To the best of RBC's knowledge as conveyed by information provided to it by Dr. Birkill, the residential complexes located on each of the Commercial Lands, the Collateral Lands or the Birkill Holdings Lands are uninsured;
  - f. as at March 21, 2022, there are significant tax arrears and municipal utilities owing on the Commercial Lands in the amount of \$82,135.81. Attached to my Affidavit and marked as **Exhibit "KK"** is a copy of the Tax Certificate for the Commercial Lands as at March 21, 2022;
  - g. as at March 21, 2022, there are significant tax arrears and municipal utilities owing on the Collateral Lands in the amount of \$26,801.06. Attached to my Affidavit and marked as **Exhibit "LL"** is a copy of the Tax Certificate for the Collateral Lands as at March 21, 2022;

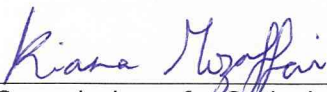
- h. as at March 21, 2022, there are significant tax arrears and municipal utilities owing on the Birkill Holdings Lands in the amount of \$17,721.13. Attached to my Affidavit and marked as **Exhibit "MM"** is a copy of the Tax Certificate for the Birkill Holdings Lands as at March 21, 2022; and
- i. On a review of the Pending Registration Queue at the Land Titles Office and the certificates of title, it appears that a Certificate of Lis Pendens is in the process of being registered against each of the Commercial Lands, Collateral Lands, and Birkill Holdings Lands.

63. I am respectfully of the view that it is just and convenient to appoint a Receiver or Interim Receiver in light of the above circumstances and that such an appointment is necessary for the protection of the estate of each of 169 and Birkill Holdings, and for the protection of RBC's interests.

64. RBC has directed its counsel, Dean A. Hitesman with Dentons Canada LLP, to speak with Eric Sirrs of MNP Ltd. ("**MNP**") regarding that firm acting as a Receiver or Interim Receiver of the undertaking, property (real and personal) and assets of 169 and Birkill Holdings. I am advised by Mr. Hitesman and do verily believe that Eric Sirrs has confirmed that MNP is prepared to consent to act as Receiver or Interim Receiver in this matter. RBC supports the appointment of MNP as the Receiver or Interim Receiver of the undertakings and property of 169 and Birkill Holdings.

65. I make this Affidavit bona fide in support of an application for the appointment of a Receiver in the form of the Order attached as Schedule "A" to the Application of RBC or alternatively, in support of an application for the appointment of an Interim Receiver in the form attached as Schedule "B" to the Application, or in such other form as may be directed by this Honourable Court.

SWORN BEFORE ME at Calgary, Alberta,  
this 22<sup>nd</sup> day of March, 2022

  
\_\_\_\_\_  
Commissioner for Oaths in and for the  
Province of Alberta

)  
)  
)  
)  
  
\_\_\_\_\_  
JOCELYN BERIAULT

KIANA MOZAFFARI  
Student-at-Law

Exhibit "A" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink that reads "Kiana Mozaffari". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

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

Date of Search: 2022/03/14  
Time of Search: 08:10 AM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 37215852  
Customer Reference Number:

**Corporate Access Number:** 2016922607  
**Business Number:** 821977337  
**Legal Entity Name:** 1692260 ALBERTA LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2012/07/30 YYYY/MM/DD  
**Date of Last Status Change:** 2019/12/18 YYYY/MM/DD

## Registered Office:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Records Address:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Mailing Address:

**Post Office Box:** BOX 574  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

**Email Address:** RANDY\_BENSON@MSN.COM

## Directors:

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street/Box Number:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Voting Shareholders:

**Legal Entity Name:** R. BIRKILL PROFESSIONAL CORPORATION  
**Corporate Access Number:** 209074038  
**Street:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

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

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO AND INCORPORATED IN THIS FORM.  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED HERETO AND INCORPORATED IN THIS FORM.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED HERETO AND INCORPORATED IN THIS FORM.

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
ALBERTA LITHIUM BATTERY COMPANY	TN23288947
GRASSLAND MOTEL AND RENTALS	TN18126466

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2020/07/21

**Outstanding Returns:**

Annual returns are outstanding for the 2021 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2012/07/30	Incorporate Alberta Corporation
2013/03/27	Change Director / Shareholder
2019/09/03	Status Changed to Start for Failure to File Annual Returns
2020/02/20	Update BN
2020/07/21	Enter Annual Returns for Alberta and Extra-Provincial Corp.

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**Attachments:**

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded (YYYY/MM/DD)</b>
<a href="#">Share Structure</a>	ELECTRONIC	2012/07/30
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2012/07/30
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2012/07/30

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



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

Date of Search: 2022/03/14  
Time of Search: 08:11 AM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 37215859  
Customer Reference Number:

**Corporate Access Number:** 2014221762  
**Business Number:** 813028321  
**Legal Entity Name:** BIRKILL HOLDINGS LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2008/08/28 YYYY/MM/DD  
**Date of Last Status Change:** 2022/01/31 YYYY/MM/DD

## Registered Office:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Records Address:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Mailing Address:

**Post Office Box:** BOX 574  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

**Email Address:** RANDY\_BENSON@MSN.COM

## Directors:

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street/Box Number:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Voting Shareholders:

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0  
**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

**Share Transfers Restrictions:** NO SHARE IN THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS OF THE CORPORATION.

**Min Number Of Directors:** 1

**Max Number Of Directors:** 7

**Business Restricted To:** NONE

**Business Restricted From:** NONE

**Other Provisions:** SEE ATTACHED SCHEDULE

### Other Information:

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2022/01/31

### Outstanding Returns:

Annual returns are outstanding for the 2021 file year(s).

### Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/08/28	Incorporate Alberta Corporation
2013/03/27	Change Address
2013/03/27	Change Director / Shareholder
2020/02/19	Update BN
2021/10/02	Status Changed to Start for Failure to File Annual Returns



**Attachments:**

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded (YYYY/MM/DD)</b>
<a href="#">Share Structure</a>	ELECTRONIC	2008/08/28
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2008/08/28

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



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

Date of Search: 2022/03/14  
Time of Search: 08:10 AM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 37215856  
Customer Reference Number:

**Corporate Access Number:** 209074038  
**Business Number:** 870003217  
**Legal Entity Name:** R. BIRKILL PROFESSIONAL CORPORATION

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
DR. R. BIRKILL PROFESSIONAL CORPORATION	2001/05/28

**Legal Entity Status:** Start  
**Alberta Corporation Type:** Medical Professional Corporation  
**Registration Date:** 2000/11/22 YYYY/MM/DD  
**Date of Last Status Change:** 2022/01/02 YYYY/MM/DD

**Revival/Restoration Date:** 2003/06/05 YYYY/MM/DD

## Registered Office:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Records Address:

**Street:** 100, 10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Mailing Address:

**Post Office Box:** BOX 574  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

**Email Address:** RANDY\_BENSON@MSN.COM

## Directors:

**Last Name:** BIRKILL  
**First Name:** DR. RICHARD

**Street/Box Number:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

**Voting Shareholders:**

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0  
**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:** NO SHARES OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS BY RESOLUTION PASSED AT A DULY CONSTITUTED MEETING OF THE BOARD.

**Number Of Directors:** 1

**Business Restricted To:** SEE ATTACHED SCHEDULE "B".

**Business Restricted From:** SEE ATTACHED SCHEDULE "B".

**Other Provisions:** SEE ATTACHED SCHEDULE "C" & "D".

**Holding Shares In:**

<b>Legal Entity Name</b>
1692260 ALBERTA LTD.

**Other Information:**

**Last Annual Return Filed:**

<b>File Year</b>	<b>Date Filed (YYYY/MM/DD)</b>
2019	2020/07/21

**Outstanding Returns:**

Annual returns are outstanding for the 2021, 2020 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2000/11/22	Incorporate Alberta Corporation
2003/05/02	Status Changed to Struck for Failure to File Annual Returns
2003/06/05	Initiate Revival of Alberta Corporation
2003/06/05	Complete Revival of Alberta Corporation
2012/10/11	Name/Structure Change Alberta Corporation
2020/02/17	Update BN
2020/07/21	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2022/01/02	Status Changed to Start for Failure to File Annual Returns

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2001/05/28
<a href="#">Restrictions on Business</a>	ELECTRONIC	2001/05/28
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2001/05/28
<a href="#">Share Structure</a>	ELECTRONIC	2012/10/11

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



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

Date of Search: 2022/03/14  
Time of Search: 08:11 AM  
Search provided by: ELDOR-WAL REGISTRATIONS (1987) LTD  
Service Request Number: 37215857  
Customer Reference Number:

**Corporate Access Number:** 2010153142  
**Business Number:** 863597951  
**Legal Entity Name:** 1015314 ALBERTA LTD.

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Numbered Alberta Corporation  
**Registration Date:** 2002/11/01 YYYY/MM/DD  
**Date of Last Status Change:** 2022/03/04 YYYY/MM/DD

## Registered Office:

**Street:** 100-10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Records Address:

**Street:** 100-10233 101 AVE  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Mailing Address:

**Post Office Box:** BOX 574  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

**Email Address:** RANDY\_BENSON@MSN.COM

## Directors:

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street/Box Number:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0

## Voting Shareholders:

**Last Name:** BIRKILL  
**First Name:** RICHARD  
**Street:** BOX 510  
**City:** LAC LA BICHE  
**Province:** ALBERTA  
**Postal Code:** T0A2C0  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

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

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO AND INCORPORATED IN THIS FORM.  
**Share Transfers Restrictions:** SEE SCHEDULE "B" ATTACHED HERETO AND INCORPORATED IN THIS FORM.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE.  
**Business Restricted From:** NONE.  
**Other Provisions:** SEE SCHEDULE "C" ATTACHED HERETO AND INCORPORATED IN THIS FORM.

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2022/03/04

**Outstanding Returns:**

Annual returns are outstanding for the 2021 file year(s).

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2002/11/01	Incorporate Alberta Corporation
2003/02/26	Change Director / Shareholder
2003/06/11	Change Address
2020/02/18	Update BN
2022/01/02	Status Changed to Start for Failure to File Annual Returns
2022/03/04	Enter Annual Returns for Alberta and Extra-Provincial Corp.

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)

<u>Share Structure</u>	ELECTRONIC	2002/11/01
<u>Restrictions on Share Transfers</u>	ELECTRONIC	2002/11/01
<u>Other Rules or Provisions</u>	ELECTRONIC	2002/11/01

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.



Exhibit "B" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law




**COMMERCIAL MORTGAGE  
LAND TITLES ACT (ALBERTA)**

1.	NAME AND ADDRESS OF MORTGAGOR (THE "MORTGAGOR") 1692260 ALBERTA LTD. of 10120 - 101 Avenue, Lac La Biche, Alberta T0A 2C0
2.	NAME AND ADDRESS OF ANY CORPORATE GUARANTOR (THE "GUARANTOR") (if applicable) N/A
3.	MAXIMUM PRINCIPAL AMOUNT FOR WHICH GUARANTOR IS LIABLE (if applicable). (If not completed, the Guarantor shall be liable for the full amount as indicated in the Guarantee provisions of the Mortgage ) N/A
4.	NAME AND ADDRESS OF MORTGAGEE (THE "MORTGAGEE") Royal Bank of Canada of 36 York Mills Road, 4 <sup>th</sup> Floor, Toronto, Ontario M2P 0A4
5.	LEGAL DESCRIPTION OF LANDS (THE "LANDS")  PLAN 9924859 BLOCK 27 LOT 4 EXCEPTING THEREOUT ALL MINES AND MINERALS
6.	PAYMENT PROVISIONS
(a)	Principal Amount: \$1,576,800.00
(b)	Mortgage Interest Rate: 18% per annum, calculated semi-annually not in advance
(c)	Interest Adjustment Date: February 1, 2018
(d)	Instalment Date: 1 <sup>st</sup> day of each and every month in each and every year until the Maturity Date
(e)	First Instalment Date: March 1, 2018
(f)	Maturity Date: February 1, 2023
(g)	Instalment Amount: \$23,121.88
7.	STANDARD MORTGAGE TERMS  This Mortgage consists of the Mortgagee's set of Standard Form Mortgage Terms ("SMT") filed at the South Alberta Land Registration District as Instrument number 031 040 055 and at the North Alberta Land Registration District as Instrument number 032 043 007 together with all schedules thereto and is subject to the terms contained in the SMT as varied by any deletions from, or amendments or additions to the terms of the SMT as set out herein.

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8. DELETED, AMENDED OR ADDED TERMS  
See attached Schedule "A".

9. ACKNOWLEDGEMENTS  
The Mortgagor hereby acknowledges as follows:  
(a) That the Mortgagor understands the nature of the SMT referred to in clause 7 above and the statements made in the said clause;  
(b) That the Mortgagor has been given a copy of the SMT;  
(c) That the Mortgagor is the registered owner of the Mortgaged Premises; and  
(d) For the better securing to the Mortgagee of the repayment in the manner set out in this Mortgage of the Principal Amount and interest and all other indebtedness and obligations of the Mortgagor secured by this Mortgage, the Mortgagor hereby mortgages and charges to the Mortgagee all the Mortgagor's estate and interest in the Mortgaged Premises.

10. EXECUTION BY MORTGAGOR  
The Mortgagor has executed this Mortgage on 12 day of January, 2018.  
  
1692260 ALBERTA LTD. c/s  
Per:   
I/we have the authority to bind the Corporation  
Richard Birkill  
Per: \_\_\_\_\_

*See*

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**SCHEDULE "A"**

**ADDITIONAL TERMS**

The following changes and/or deletions are made to the Standard Mortgage Terms:

1. The reference to three (3) days contained in the last sentence of the paragraph following paragraph D of paragraph 9(d)(i) is hereby deleted and replaced with thirty (30) days.
2. The following paragraph is added as Paragraph 9(d)(iii):

"(iii) In the event of a loss, the Mortgagor shall immediately advise the Mortgagee and shall not undertake any repairs or renovations without the Mortgagee's consent. The Mortgagee reserves the right to apply any insurance proceeds against the Loan, whether due or not, or to the full or partial payment of the reconstruction of the improvements erected on the property, without reducing, in either case, the Mortgagee's rights hereunder.

The insurance policy(ies) will be maintained with insurers licensed to do business in Canada and rated at least "A-Minus" by AM Best or Standard and Poors."
3. The following is added to Paragraph 9(e):

"The Mortgagor covenants to complete the mandatory repairs/ improvements specified in Schedule "B" of the CMHC Special Conditions dated December 29, 2017. Such repairs are to be completed by December 31, 2018, and the Mortgagor shall provide to the Mortgagee documentation to support the completion of the mandatory repairs."
4. Paragraph 9(g) is hereby deleted in its entirety and replaced with the following:

"(g) **Alterations:** The Mortgagor shall not make, or permit to be made, any alterations or additions to the Mortgaged Premises without the prior written consent of the Mortgagee; and the Mortgagor shall not use the Mortgaged Premises or permit them to be used for any purpose other than accommodation for purposes of a principal residence, and shall not use or permit them to be used for any purpose of any business, trade or manufacture of any description or as a hotel; the Mortgagee or agent of the Mortgagee or agent of CMHC may, at any time, enter upon the Mortgaged Premises to inspect the lands and buildings thereon."
5. The following paragraph is added as Paragraph 9(s):

"(s) **Access to the Lands:** The Mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation ("CMHC") may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the property to inspect the property and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC (or their respective agents) may enter upon the property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the contract rate in the mortgage, shall be a charge upon the property. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the property or buildings."
6. Paragraph 11 is hereby deleted in its entirety and replaced with the following:

**SALE BY MORTGAGOR**

In the event the Mortgagor:

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- (a) Sells, conveys, transfers, exchanges, assigns or otherwise disposes of, or enters into any agreement for sale, transfer, exchange or other disposition of the Mortgaged Premises, or otherwise parts with possession of the Mortgaged Premises, to a purchaser, grantee or transferee not approved, in writing by the Mortgagee, in the Mortgagee's sole discretion, whether for valuable or nominal consideration; or
- (b) Issues or sells, or permits the assignment or transfer by any means, including a transfer or deemed transfer by operation of law, of the legal or beneficial interest in all or any part of the Mortgagor's capital stock, whether for valuable or nominal consideration, resulting in a change of the Mortgagor's control, unless the entire transaction or series of transactions resulting in the change of control have been approved, in writing, by the Mortgagee, in the Mortgagee's sole discretion,

then, at the Mortgagee's option, the Mortgagor shall repay the unpaid balance of the loan, all accrued interest thereon, any other monies owing hereunder, plus a prepayment indemnity.

- 7. The following is added as Clause #11A:

**\*11A. SALE OF INDIVIDUAL UNITS**

The Mortgagor agrees, and it is a condition of the loan secured by this mortgage that no sale of individual units will be permitted. Any attempt to sell individual units without the Mortgagee's consent shall, at the sole discretion of the Mortgagee, be deemed a breach of this mortgage and all monies owing under this mortgage, including principal and interest, shall, at the option of the Mortgagee, immediately become due and payable."

- 8. The following is added as Clause #11B:

**\*11B. HOTEL CONVERSION**

The Mortgaged Premises are to be used as apartment housing occupied by persons for the purposes of a principal residence. If the Mortgaged Premises are converted to any other use, including without restriction, a hotel or apartment hotel, the Mortgagee at its option, may declare such change in use to be a default such that the balance of the sum secured hereby will become immediately due and payable."

- 9. Paragraph 20 is hereby amended by adding to end of that paragraph the words "on the terms and conditions set out in paragraph 11 hereof."

- 10. Paragraph 21 is hereby amended by adding to the end of paragraph 21(b) "The Mortgagee may distrain for arrears of instalments and for payment arising under or pursuant to this clause."

- 11. Paragraph 21 is hereby amended by adding subparagraph (d) as follows:

"(d) The Mortgagor agrees to advise the Condominium Corporation to send all notice to the Mortgagee and to immediately notify the Mortgagee of any breaches by the Condominium Corporation of which the Mortgagor becomes aware, in order that the Mortgagee may be kept fully informed. The Mortgagee agrees to provide to the Mortgagor immediately upon the Mortgagor's receipt thereof, copies of all financial and operating statements provided to the Mortgagor by the Condominium Corporation, including any reports on the reserves maintained by the Condominium Corporation."

- 12. Paragraph 22 is amended by adding subparagraph (a)(vi) as follows:

"(vi) carry on or concur in carrying on the business of the Mortgagor on and from the Mortgaged Premises and for that purpose borrow money on the security of the Mortgaged Premises, whether in priority to the monies secured by this Mortgage or otherwise."

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- 13. Paragraph 25 is hereby amended by adding the following paragraph:  

"The Mortgagor consents (such consent to remain in force so long as any monies remain outstanding under the Mortgage) to any governmental body or authority or other person having information relating to Goods and Services Tax ("GST") or any other amount required to be paid by the Mortgagor, where the failure to pay such amount could give rise to a claim ranking or capable or ranking in priority to the Mortgage or any other agreement securing monies owing pursuant to the Mortgage, to release such information to the Mortgagee at any time upon the Mortgagee's request. The Mortgagor agrees to provide signed third party authorizations in support of the foregoing at any time upon the Mortgagee's request, prior or after disbursement of the monies secured by the Mortgage."
- 14. Paragraph 27 is hereby amended by adding the following paragraph:  

"The Mortgagor authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Mortgagee or the Mortgagee's solicitors any and all information contained in their files."
- 15. The following is added to the Standard Mortgage Terms immediately after the last paragraph in Clause 30:  

"The Mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation (hereinafter called "CMHC") may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the said lands to inspect the said lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC or their respective agents may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings."

000-202410-000



FORM \_\_\_\_\_

(Rev. Jan-03)

(Alberta)

**ALBERTA  
SET OF STANDARD FORM  
MORTGAGE TERMS  
CONVENTIONAL AND INSURED COMMERCIAL MORTGAGE**

Registration No. North \_\_\_\_\_ Dated \_\_\_\_\_, 2003

Registration No. South \_\_\_\_\_ Dated \_\_\_\_\_, 2003

The following set of standard form mortgage terms shall be deemed to be included in every mortgage in which it is referred to by its filing number, except to the extent that the provisions of this set of standard form mortgage terms are varied by any deletions from or amendments or additions to the terms thereof by the Schedule (as defined herein).

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1. DEFINITIONS

Capitalized terms used herein shall, unless otherwise defined herein, have the meaning ascribed thereto in the Schedule (as defined herein).

"Condominium Corporation" means the condominium corporation created by the registration pursuant to the *Condominium Property Act* of a condominium plan in which a portion of the lands described in the condominium plan are the Mortgaged Premises.

"Deferred Interest" means, in the case of a variable rate mortgage, the amount by which (a) the interest that has accrued on the portion of the Principal Amount then outstanding from one payment date under this Mortgage to the next payment date under this Mortgage exceeds (b) the Instalment Amount or such other amount as may be agreed to between the Mortgagee and the Mortgagor from time to time.

"First Instalment Date" means that date described as the First Instalment Date in the Schedule.

"Guarantor" means the party described as the Guarantor in the Schedule.

"Instalment Amount" means that amount described as the Instalment Amount in the Schedule or such other amount as may be agreed upon by the Mortgagor and Mortgagee from time to time as the regular instalment to be paid under this Mortgage.

"Instalment Dates" means those dates described as the Instalment Dates in the Schedule.

"Interest Adjustment Date" means that date described as the Interest Adjustment Date in the Schedule.

"Lands" means those lands and premises described as the Lands in the Schedule.

"Maturity Date" means that date described as the Maturity Date in the Schedule.

"Mortgage" means the commercial mortgage in which this set of standard form mortgage terms is deemed to be included pursuant to the *Land Titles Act* and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, and any amendments thereto, and includes this set of standard form mortgage terms.

200-235-110-222

"Mortgage Interest Rate" means that rate described as the Mortgage Interest Rate in the Schedule.

"Mortgagee" means the party described as the Mortgagee in the Schedule.

"Mortgagor" means the party described as the Mortgagor in the Schedule.

"Prime Rate" means the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

"Principal Amount" means that amount described as the Principal Amount in the Schedule.

"Schedule" means that form of commercial mortgage which is executed by the Mortgagor and Guarantor, if applicable, and which references this set of standard form mortgage terms and includes any schedules or additional provisions attached thereto.

"Term" means the time period from the Interest Adjustment Date to the Maturity Date.

2. **MORTGAGE LOAN**

In consideration of the Principal Amount paid by Mortgagee to the Mortgagor (the receipt whereof is hereby acknowledged), and upon execution and delivery of the Schedule, the Mortgagor does grant and mortgage unto the Mortgagee the Lands TOGETHER WITH all buildings and erections thereon and every right, privilege, easement, advantage and appurtenance belonging to the same or in any way appertaining thereto (hereinafter called the "Mortgaged Premises"), TO HAVE AND TO HOLD the Mortgaged Premises UNTO AND TO USE OF the Mortgagee, its successors and assigns, upon the terms and conditions set out herein and in the Schedule.

3. **INTEREST RATE**

(a) **Fixed Rate Mortgages**

If the Schedule indicates that the Mortgage Interest Rate is a fixed rate of interest, then the amount of principal money advanced on this Mortgage is the Principal Amount and the rate of interest chargeable thereon is the Mortgage Interest Rate, calculated half-yearly not in advance, as well after as before maturity of this Mortgage, and both before and after default and judgment, until paid.

(b) **Variable Rate Mortgages**

If the Schedule indicates that the Mortgage Interest Rate is a variable rate of interest, then the amount of principal money advanced on this Mortgage is the Principal Amount and the rate of interest chargeable thereon is the Mortgage Interest Rate, payable monthly and calculated monthly not in advance, as well after as before maturity of this Mortgage, and both before and after default and judgment, until paid. For variable rate mortgages, the Mortgage Interest Rate will vary automatically, without notice to the Mortgagor, each time there is a change in the Prime Rate. The Mortgage Interest Rate will always be the Prime Rate plus the margin set out in the Schedule, payable monthly and calculated monthly not in advance.

In the event that it may be necessary at any time for the Mortgagee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Mortgagee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate.



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4. **REPAYMENT**

(a) **Fixed Rate Mortgages and Variable Rate Mortgages with Blended Payments**

If the Schedule indicates that the Mortgage Interest Rate is a fixed rate of interest, or if it indicates that the Mortgage Interest Rate is a variable rate of interest but blended payments are applicable, then the Mortgagor shall pay to the Mortgagee at the office or branch of the Mortgagee to be designated from time to time, in lawful money of Canada:

- (i) the Principal Amount with interest thereon at the Mortgage Interest Rate calculated as aforesaid, until paid, as follows:
  - A. interest at the Mortgage Interest Rate on the portion of the Principal Amount from time to time advanced, computed from the respective dates of such advances until the Interest Adjustment Date, shall become due and payable and be paid on the Interest Adjustment Date. The Mortgagee may require the payment of interest at the Mortgage Interest Rate on the portion of the Principal Amount advanced from time to time, computed from the respective dates of such advances, to become due and payable and be paid in monthly instalments on the same day of the month next following the first advance, and on the same day of each and every month thereafter and the balance, if any, of the aforesaid interest on the Principal Amount advanced shall become due and payable and be paid on the Interest Adjustment Date. At the option of the Mortgagee, interest so due and payable may be deducted from such advances; and
  - B. thereafter, the Principal Amount, together with interest at the Mortgage Interest Rate, computed from the Interest Adjustment Date, shall become due and payable and be paid in consecutive monthly instalments each in the amount of the instalment Amount (which instalments include principal and interest) on the First Instalment Date and on the same day of each and every month in each and every year thereafter to and including the Maturity Date and the balance, if any, of the Principal Amount and interest thereon shall become due and payable and be paid on the Maturity Date;
- (ii) all amounts that may be due or become due by the Mortgagor to the Mortgagee under the provisions of this Mortgage in accordance with such provisions or, in the absence of any stipulations as to the time for payment in such provisions, on demand; and
- (iii) taxes in accordance with Section 9(b) of this Mortgage.

(b) **Variable Rate Mortgages with Interest Only Payments**

If the Schedule indicates that the Mortgage Interest Rate is a variable rate of interest with interest only payments, then the Mortgagor shall pay to the Mortgagee at the office or branch of the Mortgagee to be designated from time to time, in lawful money of Canada:

- (i) the Principal Amount with interest thereon at the Mortgage Interest Rate calculated as aforesaid, until paid, as follows:
  - A. interest at the Mortgage Interest Rate on the portion of the Principal Amount from time to time advanced, computed from the respective dates of such advances until the Interest Adjustment Date, shall become due and payable and be paid on the Interest Adjustment Date. The Mortgagee may require the payment of interest at the Mortgage Interest Rate on the portion of the Principal Amount

advanced from time to time, computed from the respective dates of such advances, to become due and payable and be paid in monthly instalments on the same day of the month next following the first advance, and on the same day of each and every month thereafter and the balance, if any, of the aforesaid interest on the Principal Amount advanced shall become due and payable and be paid on the Interest Adjustment Date. At the option of the Mortgagee, interest so due and payable may be deducted from such advances; and

- B. thereafter, interest at the Mortgage Interest Rate, computed from the Interest Adjustment Date, shall become due and payable and be paid in consecutive monthly instalments on the First Instalment Date and on the same day of each and every month in each and every year thereafter to and including the Maturity Date and the balance, if any, of the Principal Amount and interest thereon shall become due and payable and be paid on the Maturity Date;
- (ii) all amounts that may be due or become due by the Mortgagor to the Mortgagee under the provisions of this Mortgage in accordance with such provisions or, in the absence of any stipulations as to the time for payment in such provisions, on demand; and
- (iii) taxes in accordance with Section 9(b) of this Mortgage.

#### 5. COMPOUND INTEREST

It is agreed that if default is made in payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Mortgage Interest Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the Mortgage Interest Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Mortgaged Premises and shall be secured by this Mortgage.

#### 6. APPLICATION OF PAYMENTS

##### (a) Fixed Rate Mortgages

If the Mortgage Interest Rate is a fixed interest rate, the instalments payable under this Mortgage are to be applied first to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of this Mortgage, including tax accounts, if any; secondly, to interest calculated as provided in this Mortgage on the portion of the Principal Amount from time to time outstanding; and, lastly, the balance of the instalments shall be applied on account of the portion of the Principal Amount then outstanding; except, however, in the case of default by the Mortgagor, the Mortgagee may apply any payments received during the period of default in whatever order it may elect as between the Principal Amount, interest, Taxes, repairs, insurance premiums or any other amounts payable by the Mortgagor under this Mortgage.

##### (b) Variable Rate Mortgages

If the Mortgage Interest Rate is a variable interest rate, the instalments payable under this Mortgage are to be applied first to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of this Mortgage, including tax accounts, if any; secondly, to interest at the Mortgage Interest

Rate calculated as provided in this Mortgage on the Principal Amount from time to time outstanding; thirdly, to Deferred Interest and interest thereon calculated in accordance with this Mortgage; and, fourthly, to the reduction of the portion of the Principal Amount then outstanding; except, however, in the case of default by the Mortgagor, the Mortgagee may apply any payments received during the period in default in whatever order it may elect as between the Principal Amount, interest, Taxes, repairs, insurance premiums or any other amounts payable by the Mortgagor under this Mortgage.

The Mortgagor and Mortgagee acknowledge that although the amount of each Instalment Amount to be paid by the Mortgagor under this Mortgage is fixed under the terms of this Mortgage, the respective portions of interest and principal which comprise each instalment may vary as the Prime Rate varies and, therefore, the Mortgage Interest Rate payable under this Mortgage varies.

If the Prime Rate declines, a larger portion of any instalment will be applied against the Principal Amount then outstanding, thus accelerating the reduction of the Principal Amount outstanding under this Mortgage. Conversely, if the Prime Rate increases, a larger portion of any instalment will be applied against accrued interest, thus delaying the reduction of the Principal Amount outstanding under this Mortgage. In the event that any instalment is not sufficient to pay all accrued interest on the date of such payment, the Deferred Interest will form a charge on the Mortgaged Premises and shall bear interest at the Mortgage Interest Rate payable monthly and calculated monthly, not in advance. If all accrued interest is not paid on the next payment date, the amount of interest that remains unpaid will bear interest at the Mortgage Interest Rate and the unpaid interest will be added to the Deferred Interest and so on.

Alternatively, if the Mortgage is not in default and the Instalment Amount is not sufficient to pay all accrued interest on the portion of the Principal Amount then outstanding, the Mortgagor agrees that the Mortgagee may, without notice to the Mortgagor, increase the amount of the instalment payment in increments of one hundred dollars (\$100) until the instalment payment amount is sufficient to pay all interest that has accrued from the last Instalment Date up to and including the date of the payment. The amount so paid shall become the new Instalment Amount until such time as the Mortgagor and Mortgagee may agree to a different instalment payment amount or the instalment payment amount is again increased in accordance with the terms hereof.

## 7. PREPAYMENT

The Mortgagor acknowledges and agrees that there is no privilege or right vested in the Mortgagor to prepay or to accelerate prepayment of the monies advanced under this Mortgage to a date or dates earlier than the Maturity Date.

The Mortgagor hereby waives any right of prepayment that the Mortgagor may acquire pursuant to Section 10 of the *Interest Act* (Canada), or any similar or successor sections or amendments thereto or any other statutory provision whether federal or provincial providing for the payment of the principal and accrued interest secured by this Mortgage prior to or otherwise than in accordance with the terms regarding the payment of principal and interest contained in this Mortgage. The Mortgagor covenants and agrees to be bound by and to observe such terms notwithstanding any statutory right of prepayment which now exists or which may exist in the future. In addition, and without limiting the generality of the foregoing waiver, the date of this Mortgage for the purpose of any statutory right of prepayment shall be deemed to be the Interest Adjustment Date.

The *Interest Act* (Canada) permits the prepayment of mortgages with three (3) months further interest once five (5) years have elapsed from the date of the Mortgage. For the purpose of this statutory right of prepayment only, the Mortgagor agrees that the date of this Mortgage if so

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renewed or extended will be the renewal or extension date stipulated in the mortgage renewal or extension agreement.

8. **FIXTURES**

The Mortgagor covenants and agrees that all erections and improvements, fixed or otherwise, now on or after the date of this Mortgage put on the Mortgaged Premises, including but without limiting the generality of the foregoing, all buildings, fences, heating, piping, plumbing, aerals, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all improvements, fixed or otherwise and even though not attached otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Mortgaged Premises and shall be a portion of the security for the amounts secured by this Mortgage.

9. **TAXES AND COVENANTS**

The Mortgagor covenants and agrees with the Mortgagee that:

- (a) **Covenant to Pay and Quiet Enjoyment on Default:** The Mortgagor will pay the Principal Amount and interest and all other monies payable under this Mortgage in the manner set out in this Mortgage and on default the Mortgagee may enter and have quiet enjoyment of the Mortgaged Premises.
- (b) **Realty Taxes:** In connection with taxes, rates and assessments ("Taxes") chargeable against or upon the Mortgaged Premises,
  - (i) The Mortgagee may deduct from the final advance of the Principal Amount an amount sufficient to pay the Taxes that have become or will become due and payable on that date or the Interest Adjustment Date (as the case may be);
  - (ii) After the Interest Adjustment Date, the Mortgagor shall pay to the Mortgagee in monthly instalments on the Instalment Dates sums sufficient to enable the Mortgagee to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the next instalment thereof;
  - (iii) Where the period between the Interest Adjustment Date and the next following annual due date or first instalment date for payment of Taxes is less than one (1) year, the Mortgagor shall pay to the Mortgagee in equal monthly instalments, during such period and during the next succeeding twelve (12) month period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of such succeeding twelve (12) month period, all Taxes which shall become due and payable during the two (2) periods and during the balance of the year in which such succeeding twelve (12) month period expires; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;
  - (iv) Except as provided in the last preceding clause, the Mortgagor shall, in each and every month, pay to the Mortgagee one-twelfth (1/12) of the amount (as estimated by the Mortgagee) of the Taxes next becoming due and payable; and shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;

- (v) The Mortgagee may allow the Mortgagor interest on any balances standing in the mortgage account from time to time to the credit of the Mortgagor for payment of Taxes, at a rate per annum, and at such times, as the Mortgagee may determine in its sole discretion, and the Mortgagor shall be charged interest, at the Mortgage Interest Rate, on the debit balance, if any, for Taxes in the mortgage account outstanding after payment of Taxes by the Mortgagee, until such debit balance is fully repaid;
- (vi) The Mortgagee agrees to apply such deduction and payments on the Taxes chargeable against the Mortgaged Premises so long as the Mortgagor is not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided, however, that if before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect to any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of Taxes, forthwith after the receipt of same by the Mortgagor; and
- (vii) The Mortgagor shall reimburse the Mortgagee, on demand, for any fees paid or charges incurred by the Mortgagee to a municipality or other tax authority from time to time in connection with the administration of the tax account, including any fees or charges for the obtaining of information or searches or certificates in respect thereof, or the payment of taxes in any manner and the Mortgagor authorizes the Mortgagee to deduct the amount of such fees or charges from the tax account.

Notwithstanding the provisions set out in this subsection, at the option of the Mortgagee, the Mortgagor will pay all Taxes as and when the same become due and payable and will provide the Mortgagee with receipts confirming same as the Mortgagee may require.

- (c) **Good Title and Right to Convey:** The Mortgagor has a good title in fee simple to the Mortgaged Premises and the right to convey the Mortgaged Premises as hereby conveyed, and covenants that the Mortgaged Premises are free from encumbrances, and that the Mortgagor will procure such further assurances as may reasonably be required.

- (d) **Insurance:**

(i) **General Provisions**

The Mortgagor will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee each and every building including all fixed improvements and chattels now on the Mortgaged Premises and which may hereafter be erected thereon, both during erection and thereafter, against loss or damage by an "all risks" coverage for perils of fire and such other perils as the Mortgagee may require, including at least loss or damage by explosion, falling object, impact by vehicle or aircraft, rupture of heating, plumbing or air conditioning systems, smoke, riot or civil commotion, vandalism and malicious act, windstorm and hail, to the full extent of their replacement cost on a stated amount replacement cost basis of each and every such building and the amount of the Mortgagee's interest therein, in lawful money of Canada. Without limiting the foregoing such policy or policies shall include the following insurance coverage:

- A. All Risks coverage and malicious damage coverage, including earthquake, flood, by-law contravention and leakage from fire protection equipment on a full

replacement cost basis and with the same or adjacent site clause deleted and with loss under each policy payable to the Mortgagee pursuant to Insurance Bureau of Canada approved mortgage clause insurance endorsement, with preference in its favour over any claim of any other person; permission should be granted for the improvements to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy;

- B. Comprehensive broad form boiler insurance including fired and unfired pressure vessels insurance, air-conditioning equipment and miscellaneous electrical apparatus, if any, including repair, replacement and by-law contravention and including use and occupancy coverage, for an amount satisfactory to the Mortgagee with loss payable to the Mortgagee by way of an Insurance Bureau of Canada Boiler and Machinery clause;
- C. Comprehensive general liability insurance for bodily injury and/or death or property damage in or about the Mortgaged Premises, such insurance to afford protection in such amounts as the Mortgagee may from time to time reasonably require, provided that if the Mortgaged Premises are to be used for commercial purposes such insurance shall be in an amount not less than five million dollars per occurrence written on an inclusive basis;
- D. Business interruption insurance or rental insurance coverage acceptable to the Mortgagee for an indemnity period of not less than twelve (12) months and with coverage of not less than 100% of the gross annual rentals from the Mortgaged Premises, based on the greater of actual and projected rentals.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide for at least thirty (30) days prior notice to the Mortgagee of such cancellation. Such policies shall also provide that the Mortgagee shall receive at least thirty (30) days prior notice of any material alteration of such policy. All such insurance coverage shall be placed and kept in force with an insurance company or companies duly authorized to carry on business as such and under policies satisfactory in form to the Mortgagee. The Mortgagor shall direct its insurer(s) to provide certified copies of the policies of insurance to the Mortgagee. The Mortgagor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least three (3) days prior to the expiration of any policy of insurance.

Each policy of insurance shall provide that every loss, if any, shall be payable to the Mortgagee as its interest may appear in accordance with this Mortgage, subject to the Insurance Bureau of Canada approved mortgage clause. The Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policy or policies of insurance and all renewal receipts thereto appertaining. No insurance will be carried on improvements or buildings on the Mortgaged Premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph. The Mortgagor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void. In the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights under this Mortgage, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest. Any amount paid by the Mortgagee shall be added to the debt secured by this Mortgage and shall bear interest at the Mortgage Interest Rate from the time of such payment and shall be payable on the next Instalment Date.

Forthwith on the happening of any loss or damage, the Mortgagor will furnish, at his own expense, all necessary proofs and do all necessary acts to enable the Mortgagee to

obtain payment of the insurance monies. The production of this Mortgage shall be sufficient authority for such insurance company to pay every such loss to the Mortgagee, and such insurance company is hereby directed thereupon to pay the same to the Mortgagee. Any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Mortgaged Premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Mortgage debt or any part thereof whether due or not then due.

(ii) **Condominium Provisions**

If the Mortgaged Premises are part of a condominium the insurance provisions set out in subparagraph (i) above do not apply and the following will apply to this Mortgage:

The Mortgagor or the Condominium Corporation (as herein defined) or both of them will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by an "all risk" coverage for perils, fire, lightning, earthquake, flood, by-law contravention, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Mortgagee might require to the full extent of their replacement cost with a stated amount co-insurance clause in lawful money of Canada, each and every building located on the lands described in the condominium plan and which may hereinafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Mortgagee might require depending on the nature of the Mortgaged Premises or the use thereof, with a company or companies approved by the Mortgagee. The improvements within the Mortgaged Premises must be insured on an "all risks" basis for full replacement costs. The policies must contain the Insurance Bureau of Canada approved mortgage clause with the loss payable to the Mortgagee as its interest may appear and the Mortgagor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Mortgagee the policy or policies of insurance and receipts thereto appertaining and if the Mortgagor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policy or policies and receipts or produce to the Mortgagee at least fifteen (15) days before the termination of any insurance, evidence of renewal thereof, the Mortgagee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Mortgagor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Mortgagor to observe and perform all the duties and obligations imposed on the Mortgagor by the *Condominium Property Act* and by the condominium plan and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the condominium plan; and the Mortgagor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

- (e) **Repair and Waste:** The Mortgagor will keep the Mortgaged Premises, including any buildings and improvements now or hereafter situated thereon, in good condition and repair. If the Mortgaged Premises, including the buildings or improvements situated thereon, are not kept in good condition and repair or any act of waste is committed thereon by the Mortgagor or any other person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor defaults after any part of the Principal Amount has been advanced, the Mortgagee may enter and complete, repair or manage the Mortgaged Premises and recover all reasonable costs with interest as part of this Mortgage.

- (f) **Liens and Construction:** Upon the registration of any lien against the Mortgaged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the Principal Amount, together with interest thereon at the Mortgage Interest Rate, and all other amounts hereby secured shall, at the option of the Mortgagee, forthwith become due and payable. In the event any lien is registered against the Mortgaged Premises, the Mortgagee shall have the right, but not the obligation, to pay such amounts as may be required to vacate the lien. Any amount so paid by the Mortgagee, together with all costs, charges and expenses incurred by the Mortgagee in connection therewith, including all legal costs, on a solicitor and its own client basis, shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to this Mortgage, and shall be forthwith payable on demand.
- (g) **Alterations:** The Mortgagor will not make nor permit any demolition, alterations, or additions to the Mortgaged Premises without the prior written consent of the Mortgagee, and will not use or permit the use of the Lands, buildings and improvements on the Mortgaged Premises for a purpose other than as disclosed to the Mortgagee on or before the date of this Mortgage without the prior written consent of the Mortgagee.
- (h) **Parking Area:** The Mortgagor covenants and agrees that if a parking area forms part of the Mortgaged Premises, the parking area shall not be used for any purpose other than the parking of motor vehicles on a daily basis, except with the prior written approval of the Mortgagee.
- (i) **Acceleration on Default:** In default of payment of any of the Principal Amount at the time appointed for payment thereof, or on breach of any covenant or proviso in this Mortgage, or if waste be committed by the Mortgagor or any other person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor makes an assignment for the benefit of creditors or a proposal under the *Bankruptcy and Insolvency Act*, or *Companies' Creditors Arrangement Act* or if a bankruptcy petition is presented against the Mortgagor, or if the Mortgagor allows a creditor to enter judgment against the Mortgagor by reason of the Mortgagor's inability to pay a debt or debts, the whole of the Principal Amount remaining unpaid shall, at the option of the Mortgagee, become due and payable, and if the Mortgagee waives its right to call in the principal, it shall not be therefor debarred from subsequently asserting and exercising its right to call in the principal by reason of such waiver or by reason of any future default. The Mortgagor agrees that neither the execution nor registration of this Mortgage nor the advancing of any part of the Principal Amount shall bind the Mortgagee to advance said money or any unadvanced portion thereof, but that the advance of the money or any part thereof shall be in the sole discretion of the Mortgagee.
- (j) **Prior Encumbrances:** The Mortgagee may, but shall not be obliged to, pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or be claimed upon the Mortgaged Premises having priority over this Mortgage, including any arrears of Taxes on the Mortgaged Premises, and may also pay all costs, charges and expenses that may be incurred in taking, recovering and keeping possession of the Mortgaged Premises and all legal costs for or in respect of the collection of any overdue interest, principal, insurance premiums, repair costs or any other monies whatsoever payable by the Mortgagor under this Mortgage, as between a solicitor and its own client, whether any action or other judicial proceeding to enforce such payment has been taken or not; and the amounts so paid shall be added to the principal amount secured by this Mortgage and bear interest at the Mortgage Interest Rate and be a charge on the Mortgaged Premises, and shall forthwith be payable by the Mortgagor to the Mortgagee and the non-payment of such amount shall entitle the Mortgagee to exercise the powers exercisable for breach of covenant herein contained. In the event of the Mortgagee paying the



amount of any such encumbrance, lien or charge, or Taxes, either out of the monies advanced on the security of this Mortgage or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off.

- (k) **Non-Merger:** The taking of a judgment on any covenant in this Mortgage shall not operate as a merger of any covenant in this Mortgage nor affect the Mortgagee's right to interest at the Mortgage Interest Rate and at the times provided in this Mortgage and such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Mortgage until such judgment shall have been fully paid and satisfied.
- (l) **Inspection:** The Mortgagee, a mortgage default insurer of this Mortgage or their respective agents may, at any time, enter upon the Mortgaged Premises to inspect the Mortgaged Premises. The reasonable costs of such inspection shall: (i) be added to the debt secured by this Mortgage; (ii) bear interest at the Mortgage Interest Rate; and (iii) be a charge on the Mortgaged Premises. The Mortgagee, a mortgage default insurer of this Mortgage, or their respective agents may enter upon the Mortgaged Premises to conduct any environmental testing, site assessment, investigation, engineering report or other study deemed necessary by either the Mortgagee or a mortgage default insurer of this Mortgage and the costs of such testing, assessment, investigation or study, as the case may be, with interest at the Mortgage Interest Rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the Mortgaged Premises. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, a mortgage default insurer of this Mortgage or their respective agents to be in possession, management or control of the Mortgaged Premises.
- (m) **Compliance with Laws:** The Mortgagor will at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, environmental pollution, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Mortgaged Premises; and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at the Mortgagor's own expense make any and all improvements thereon or alterations to the Mortgaged Premises, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.
- (n) **Extensions of Time:** No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealings with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the amounts secured by this Mortgage.
- (o) **Extension of Term:** This Mortgage may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequently to this Mortgage. If the Mortgagor makes any payments to the Mortgagee after expiration of the original term of this Mortgage or any subsequent term agreed to in writing between the Mortgagor and the Mortgagee without first having agreed in writing with the Mortgagee as to the terms of

payment of the balance of the money then repaid, any such payment shall not be deemed to have renewed the term of this Mortgage for the unexpired term of years based on the remaining amortization of this Mortgage. The Mortgagor shall pay to the Mortgagee the amount of any renewal or extension fee charged by the Mortgagee in connection with the renewal or extension of this Mortgage, and all legal costs on a solicitor and its own client basis incurred by the Mortgagee in connection with the renewal or extension. If the Mortgagor does not pay the renewal or extension fee and/or the Mortgagee's legal costs, such amounts shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to this Mortgage, and shall be payable on demand. Nothing contained in this paragraph shall confer any right of renewal or extension upon the Mortgagor.

- (p) **Withholding from Payments:** If the Mortgagor is required by law to make any deduction or withholding from any sum payable by the Mortgagor to the Mortgagee, the sum payable by the Mortgagor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made; and the Mortgagor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Mortgagee within thirty (30) days after it has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.
- (q) **Other Taxes:** The Mortgagor shall pay to the Mortgagee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Mortgagee's income taxes) ("Other Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon, that the Mortgagee may be called upon to pay, together with interest from the date on which such Other Taxes are paid by the Mortgagee at the rate and compounded in the manner provided in this Mortgage.
- (r) **Expropriation:** The Mortgagor and Mortgagee agree that if the whole or part of the Mortgaged Premises are expropriated by a public authority pursuant to statutory authority, any monies paid to the Mortgagor in compensation for the expropriation of the whole or part of the Mortgaged Premises shall be paid by the Mortgagor to the Mortgagee as a lump sum payment under the Mortgage. The Mortgagee, through its agents or employees, may order a survey and/or property valuation of the Mortgaged Premises in order to ascertain the value of the expropriated lands and the remaining lands. Any and all reasonable costs, charges and expenses for such survey and or property valuation shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate, and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to the Mortgage and shall be payable forthwith on demand.

## 10. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates in respect of variable rate mortgages. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under this Mortgage. The following table sets out interest rates calculated half yearly, not in advance, which are equivalent to interest rates calculated monthly not in advance. The Mortgagor may determine the equivalent rate by locating the rate of interest payable under this Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column

immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

**EQUIVALENT RATES TABLE**

Interest Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)	Interest Rate Calculated Monthly Not in Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.500	18.151
8.125	8.264	17.625	18.285
8.250	8.393	17.750	18.419
8.375	8.522	17.875	18.554
8.500	8.652	18.000	18.689
8.625	8.781	18.125	18.823
8.750	8.911	18.250	18.958
8.875	9.041	18.375	19.093
9.000	9.170	18.500	19.228
9.125	9.300	18.625	19.363
9.250	9.430	18.750	19.498
9.375	9.560	18.875	19.633
9.500	9.690	19.000	19.768
9.625	9.820	19.125	19.903
9.750	9.950	19.250	20.039
9.875	10.080	19.375	20.174
10.000	10.211	19.500	20.310
10.125	10.341	19.625	20.445
10.250	10.471	19.750	20.581
10.375	10.602	19.875	20.716

11. **SALE BY MORTGAGOR**

If the Mortgagor sells, conveys, transfers, or enters into any agreement of sale or transfer of the title of the Mortgaged Premises to a purchaser, a grantee or transferee not approved in writing by the Mortgagee, which approval shall be at the sole discretion of the Mortgagee, then, at the option of the Mortgagee, all monies secured by this Mortgage with accrued interest thereon shall forthwith become due and payable.

12. **CONSTRUCTION**

In the event that the Mortgagor erects buildings or improvements upon the Mortgaged Premises:

- (a) The Mortgagor agrees that it will proceed with due diligence with the erection and completion of the buildings or improvements in accordance with the plans and specifications approved or to be approved by the Mortgagee and any mortgage default insurer that has insured this Mortgage;



**14. OTHER SECURITY**

This Mortgage is in addition to, and not in substitution for, any other security held by the Mortgagee, including any promissory note or notes for all or any part of the monies secured hereunder, and it is understood and agreed that the Mortgagee may pursue its remedies thereunder and hereunder concurrently or successively at its option. Any judgment or recovery hereunder or under any other security held by the Mortgagee for the monies secured by this Mortgage shall not affect the right of the Mortgagee to realize upon this or any other such security. Without limiting the generality of the foregoing, this Mortgage is in addition to, and not in substitution for, any other charges now or hereafter held by the Mortgagee over the Mortgaged Premises as security for monies advanced hereunder or any other monies due to the Mortgagee, and it is understood and agreed that the aggregate principal amount secured by this Mortgage and such other charges shall be the sum of the Principal Amount and all other monies secured hereunder and the respective principal amounts of such other charges.

**15. PLACE OF PAYMENT**

All payments hereby secured shall be made at such place as the Mortgagee may from time to time designate in writing to the Mortgagor, in lawful money of Canada.

**16. RIGHTS ON DEFAULT**

In the event of default in the payment of any instalment of principal, interest or Taxes secured by this Mortgage or any other amounts payable under this Mortgage by the Mortgagor or on breach of any covenant, proviso or agreement in this Mortgage after all or any part of the Principal Amount has been advanced, the Mortgagee, its inspector or agent may at such time or times as the Mortgagee may deem necessary and without the concurrence of any other person enter upon the Mortgaged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Mortgaged Premises, or for inspecting, examining title, taking care of, leasing, collecting the rents of, and generally managing the Mortgaged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes shall be forthwith payable to the Mortgagee and bear interest at the Mortgage Interest Rate and be a charge on the Mortgaged Premises. The Mortgagee shall not be the agent or attorney of the Mortgagor by reason of the Mortgagee's entry into possession of the Mortgaged Premises or any part thereof or by anything that may be done by virtue of this section, or be liable to account as Mortgagee or as mortgagee in possession for anything except actual receipts.

**17. NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS**

No failure by the Mortgagee to enforce at any time or from time to time any of its rights under this Mortgage shall prejudice such rights or any other rights of the Mortgagee and no performance or payment by the Mortgagee in respect of any breach or default of the Mortgagor shall relieve the Mortgagor from any such breach or default under this Mortgage; and no waiver at any time or from time to time of any such rights of the Mortgagee shall prejudice such rights in the event of any future default or breach.

**18. CROSS-DEFAULT**

Any breach by the Mortgagor of a covenant or proviso under any other existing or future agreement, document, mortgage, security agreement, assignment of rentals, assignment of leases or any other security in favour of the Mortgagee related to the Mortgaged Premises shall entitle the Mortgagee to exercise its remedies as set out in this Mortgage, as if there had been a default of payment, other default or breach of any covenant or proviso of this Mortgage.

19. **DEFAULT UNDER OTHER MORTGAGES**

The Mortgagor and the Mortgagee agree that if the Mortgagor defaults in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any other mortgage or charge registered against the Mortgaged Premises, the monies secured by this Mortgage shall forthwith become due and be payable, at the option of the Mortgagee, and all powers conferred by this Mortgage upon the Mortgagee shall become exercisable as provided in the Mortgage.

The Mortgagor further agrees that there will be no subsequent encumbrances, save and except with the prior written consent of the Mortgagee.

20. **CHANGE OF CORPORATE CONTROL**

If the Mortgagor is a corporation, the Mortgagor covenants and agrees that if:

- (a) the Mortgagor fails to supply to the Mortgagee, in a form satisfactory to the Mortgagee, such information relating to the ownership of its shares as the Mortgagee may from time to time require; or
- (b) without the written consent of the Mortgagee first had and obtained,
  - (i) the Mortgagor issues or redeems any of its shares or transfers any of its shares,
  - (ii) there is a sale or sales of the shares of the Mortgagor which result in the transfer, including a transfer or deemed transfer by operation of law, of the legal or beneficial interest of any of the shares of the Mortgagor, or
  - (iii) the Mortgagor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Mortgagor, then, at the option of the Mortgagee, all monies secured by this Mortgage with accrued interest thereon shall forthwith become due and payable.

21. **CONDOMINIUMS**

If this Mortgage is of a unit within a plan of condominium the following provisions shall apply:

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by the *Condominium Property Act* and by the condominium plan, the by-laws and the rules, as amended from time to time, of the Condominium Corporation by virtue of the Mortgagor's ownership of the Mortgaged Premises. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.
- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Mortgaged Premises and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the Principal Amount and bear interest at the Mortgage Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Mortgaged Premises and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.

(c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Mortgaged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:

- (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the Condominium Corporation that the Mortgagee does not intend to exercise the right to vote or consent and in that event until the Mortgagee revokes the notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
- (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
- (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

## 22. RECEIVERSHIP

Notwithstanding anything herein contained, it is declared and agreed that at any time when there shall be default under the provisions of this Mortgage, the Mortgagee may, at such time and from time to time, and with or without entry into possession of the Mortgaged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Mortgagee or not, to be a receiver (which term, as used herein, includes a receiver manager) of the Mortgaged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another receiver, and that in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any such receiver from time to time, the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Mortgaged Premises as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
  - (i) collect the rent and profits from tenancies, whether created before or after this Mortgage;
  - (ii) rent any portion of the Mortgaged Premises which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
  - (iii) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Premises left by the Mortgagor in an unfinished state or award the same to others to complete, and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the Mortgaged Premises operable or rentable, and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
  - (iv) manage, operate, repair, alter or extend the Mortgaged Premises or any part thereof; and



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(v) sell all or any part of the Mortgaged Premises.

The Mortgagor undertakes to ratify and confirm whatever any such receiver may do in the Mortgaged Premises.

- (b) The Mortgagee may, at its discretion, vest the receiver with all or any of the rights and powers of the Mortgagee.
- (c) The Mortgagee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Mortgaged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Mortgagor and, in no event the agent of the Mortgagee, and the Mortgagee shall not be responsible for his acts or omissions.
- (e) The appointment of any such receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Premises.
- (f) No such receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:
- (i) the receiver's remuneration aforesaid;
  - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's power and authority hereby conferred;
  - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Mortgaged Premises in priority to this Mortgage, including Taxes;
  - (iv) to the Mortgagee all interest, principal and other monies due under this Mortgage to be paid in such order as the Mortgagee, in its discretion, shall determine, and thereafter, every such receiver shall be accountable to the Mortgagor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Mortgagor on demand and shall be a charge on the Mortgaged Premises and shall bear interest from the date of demand at the Mortgage Interest Rate.

- (g) Save as to claims for accounting under paragraph (f) of this section, the Mortgagor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Mortgagor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Mortgagee may, at any time and from time to time, terminate any such receivership by notice in writing to the Mortgagor and to any such receiver.
- (i) The statutory declaration of an officer of the Mortgagee as to default under the provisions of this Mortgage and as to the due appointment of the receiver pursuant to the terms

hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

- (j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have.

**23. MORTGAGOR TO BECOME TENANT**

The Mortgagor hereby attorns to the Mortgagee and becomes a tenant from year to year of the Mortgaged Premises at a rental equivalent to and payable at the same days and times as the interest and instalments are to be paid under this Mortgage, such rent when so paid to be in satisfaction of such interest and instalments; provided that the Mortgagee may on default of any payment hereunder or on breach of any other covenant, agreement or proviso herein contained or implied on the part of the Mortgagor to be made, observed or performed, enter on the Mortgaged Premises and determine the tenancy hereby created without notice, and that neither the existence of this clause nor anything done by virtue thereof shall render the Mortgagee liable as Mortgagee in possession or accountable for any moneys except those actually received.

**24. RENTAL PROPERTY – STATEMENT OF INCOME AND EXPENSES**

If the Mortgaged Premises are occupied or used for rental purposes, the Mortgagor covenants and agrees to maintain proper records and books of account with respect to the revenues of and expenditures arising from or out of the Mortgaged Premises and will permit the Mortgagee or any person appointed by the Mortgagee for that purpose to examine such books at all reasonable times and to make copies or extracts therefrom and will give the Mortgagee all information with regards to the revenues and expenses of the Mortgaged Premises which the Mortgagee may reasonably require.

**25. FINANCIAL STATEMENTS**

If the Mortgaged Premises are occupied or used for rental purposes, the Mortgagor further covenants with the Mortgagee to provide annually to the Mortgagee detailed financial statements of the income and expenses of the Mortgaged Premises, including a current rent roll, for each annual operating period for the Mortgaged Premises. The statements shall be prepared by a chartered accountant acceptable to the Mortgagee and provided within ninety (90) days after the end of each calendar year. In the event that the Mortgagor and/or the Guarantor(s) are corporations, each Mortgagor and/or Guarantor(s) shall also provide to the Mortgagee audited financial statements within one hundred twenty (120) days after their respective fiscal year-ends for the duration of the term of this Mortgage. In the event that the Mortgagee and/or the Guarantor(s) are individuals, each Mortgagor and/or Guarantor(s) shall provide to the Mortgagee a statement of net worth, a copy of current tax returns and a copy of assessment notices received from Canada Customs and Revenue Agency (or a successor agency), in each case by May 30th of each year during the term of this Mortgage. The Mortgagor shall also provide such other additional financial information as may be requested by the Mortgagee from time to time.

**26. PROPERTY MANAGEMENT**

The Mortgagor covenants and agrees that the Mortgagee may, at its option, require that the Mortgagor enter into an agreement with a professional independent property management firm (the "Property Management Firm") for the management of the Mortgaged Premises. The selection of the Property Management Firm and the term of the agreement shall be subject to the approval of the Mortgagee. If the Mortgagee has not instructed the Mortgagor to engage a Property Management Firm, the Mortgagor or, subject to the Mortgagee's approval, a corporation affiliated with the Mortgagor, shall manage the Mortgaged Premises in accordance with the

provisions of this Mortgage. Notwithstanding the foregoing, if the Mortgagor is in default under this Mortgage or any other security granted to the Mortgagee by the Mortgagor, the Mortgagee shall have the right, but not the obligation, to appoint a Property Management Firm and upon the appointment of a Property Management Firm the Mortgagor shall provide it access to the Mortgaged Premises and give it access to all records, computer files and other data necessary to permit it to manage the Mortgaged Premises. All costs and expenses paid by the Mortgagee in respect of the Property Management Firm shall be payable by the Mortgagor forthwith upon demand and all such amounts shall be secured by this Mortgage.

27. **RESIDENTIAL RENTAL PROPERTY**

Notwithstanding anything contained in this Mortgage to the contrary, if the Mortgaged Premises are occupied or are used as a residential rental property, the Mortgagor represents and warrants to the Mortgagee that with respect to the Mortgaged Premises, except as permitted under laws applicable to residential housing:

- (a) no demolition, conversion, renovation, repair or severance has taken place with respect to any part of the Mortgaged Premises;
- (b) there have been no increases in the rental charged for residential rental unit or units on the Mortgaged Premises except as permitted by law;

and, as provided in laws applicable to residential housing:

- (c) all rents charged with respect to the Mortgaged Premises or any part thereof are lawful rents and all required rebates have been paid;
- (d) all required filings have been made and were timely, accurate and complete;

and, pursuant to laws applicable to residential housing:

- (e) no applications, investigations or proceedings have been commenced or made; and
- (f) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Mortgaged Premises or any residential rental unit or units on the Mortgaged Premises.

Before the first advance the Mortgagor agrees on request by the Mortgagee to provide a statutory declaration (by an officer/director if the Mortgagor is a corporation) that the above representations and warranties are true and correct. The Mortgagor agrees on request by the Mortgagee to deliver to the Mortgagee before the first advance all documents required to establish the legality of rents derived from the Mortgaged Premises.

The Mortgagor further agrees to comply with the provisions of all laws applicable to residential rental housing during the term of the Mortgage. In the event of a breach of this covenant or in the event that any of the representations and warranties contained in this provision are false, the outstanding Principal Amount and any accrued interest shall, at the option of the Mortgagee, become immediately due and payable.

28. **ASSIGNMENT OF RENTS**

For better securing to the Mortgagee the payment of all monies secured by this Mortgage, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all rents and other monies payable under any leases and/or agreements which affect the Mortgaged Premises or any part thereof, whether written, verbal or otherwise howsoever, provided that nothing done in

pursuance of this Mortgage shall have or be deemed to have the effect of making the Mortgagee a mortgagee in possession or responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the Mortgaged Premises, or for the performance or observance of any covenants, terms or conditions contained in such lease or other agreement.

29. **ASSIGNMENT OF LEASES**

For better securing to the Mortgagee the payment of all monies secured by this Mortgage, the Mortgagor gives, grants, assigns, transfers and sets over unto the Mortgagee all leases and/or agreements which affect the Mortgaged Premises or any part thereof whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rights, benefits and advantages to be derived therefrom; and service of a copy of this Mortgage upon any lessee of the Mortgagor occupying any portion of the Mortgaged Premises shall operate as an absolute assignment of that lessee's lease and such lessee is thereupon authorized and directed to give effect to such assignment; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee a mortgagee in possession or responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the Mortgaged Premises, or for the performance or observance of any covenants, terms or conditions contained in such lease or other agreement.

30. **ENVIRONMENTAL COMPLIANCE**

The Mortgagor hereby represents and warrants to the Mortgagee that:

- (a) there is not in, on or about the Mortgaged Premises any product or substance (including, without restriction, contaminants, wastes, hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Mortgagor, no circumstance has existed on the Mortgaged Premises, or exists or has existed on any land adjacent to the Mortgaged Premises, that constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued, or is pending, relating to any environmental condition on the Mortgaged Premises;
- (d) the Mortgaged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment; and
- (e) it has obtained any and all certificates, permits and/or approvals required to (i) permit the Mortgagor to construct, alter or remove the improvements situated on the Mortgaged premises; and (ii) conduct its business operations on the Mortgaged Premises.

The Mortgagor hereby covenants and agrees with the Mortgagee as follows:

- (a) the Mortgagor shall give to the Mortgagee immediate notice, in writing, of any material change in circumstances in respect of the Mortgaged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (e) inclusive to become untrue; and

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- (b) the Mortgagor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Mortgaged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

If a contaminant is discovered on the Mortgaged Premises, the Mortgagor shall give to the Mortgagee immediate notice, in writing, of the discovery of a contaminant. The Mortgagor shall, at its sole cost, retain an environmental consultant from a list of consultants approved by the Mortgagee. The consultant shall perform such assessments, investigations, studies and tests as may be required to determine: (i) the potential effect of the contaminant on human health and the environment; (ii) the lateral and vertical extent of the contamination; (iii) the source of the contamination; and (iv) the cost of the remediation of the contamination. The Mortgagor shall immediately deliver to the Mortgagee copies of all reports, studies or other documents prepared by the consultant.

The Mortgagor, at its sole cost and expense, shall comply or cause its tenants, agents and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders with respect to the discharge and removal of hazardous or toxic waste, and with respect to the discharge of contaminants into the natural environment, pay immediately when due the cost of removal of any such waste or contaminants and the cost of any improvements necessary to deal with such waste or contaminants and keep the Mortgaged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Mortgagor fails to do so, after notice to the Mortgagee, and after the expiration of the earlier of:

- (a) any applicable cure period under this Mortgage; or
- (b) the cure period under the applicable law, rule, regulation or order,

then the Mortgagee, at its sole option, may declare this Mortgage to be in default.

The Mortgagor shall indemnify and hold harmless the Mortgagee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claim or any costs to remediate any contamination or to ensure compliance with applicable environmental laws, regulations, orders or guidelines), relating to the presence of any hazardous waste or contaminant or due to the Mortgagor's failure to comply with the covenants and provisions of this section. This indemnity shall survive the discharge of the Mortgage or the release from this Mortgage of part or all of the Mortgaged Premises.

**31. ADMINISTRATION FEES**

The Mortgagor covenants with the Mortgagee that the Mortgagor will pay to the Mortgagee the Mortgagee's then current administration fee for the following services and that such fees, until paid, shall be a charge upon the Mortgaged Premises and shall bear interest at the Mortgage Interest Rate: (i) an administration fee for each statement of the Mortgage account provided by the Mortgagee at the request of the Mortgagor or the Mortgagor's solicitor or agent; (ii) a processing fee for each renewal of the Mortgage (to the extent not prohibited by law); (iii) an administration fee for each cheque given to the Mortgagee by the Mortgagor or produced under the authorized chequing direction of the Mortgagor, or for each authorized direct debit to an account of the Mortgagor which is dishonoured or not accepted by the financial institution; (iv) an administration fee for placement of insurance coverage upon cancellation or lapse of a policy of insurance or the neglect or failure of the Mortgagor to provide evidence of replacing coverage; and (v) a processing fee on repayment of the Mortgage (to the extent not prohibited by law), it being agreed between the Mortgagor and the Mortgagee that the amount of each such fee is a liquidated amount to cover the administrative costs of the Mortgagee and not a penalty.

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**32. MORTGAGEE'S EXPENSES**

The Mortgagor agrees to pay the reasonable and necessary costs, charges, fees and expenses of and incidental to this Mortgage and any and all other documents required in connection herewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted by this Mortgage or the procuring of the payment of any amount payable under this Mortgage including, without limiting the generality of the foregoing, all legal fees on a solicitor and its own client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Mortgagee thereon and all costs and expenses of valuing the Mortgaged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of this Mortgage as against third parties. The Mortgagor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Mortgage Interest Rate and shall be a charge on the Mortgaged Premises.

**33. DISCHARGE**

The Mortgagee shall have a reasonable time after payment of the amounts secured by this Mortgage in full within which to prepare and execute a discharge or assignment of this Mortgage; provided that interest at the Mortgage Interest Rate shall continue to run and accrue until actual payment in full has been received by the Mortgagee. All legal and other expenses for the preparation, execution and registration of such discharge or assignment shall be borne by the Mortgagor (to the extent not prohibited by law).

**34. PARTIAL RELEASE**

The Mortgagee may at any time release any part or parts of the Mortgaged Premises or any other security or surety for payment of all or any part of the amounts hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay such amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee, and without thereby releasing any other part of the Mortgaged Premises, or any other securities or covenants herein contained, it being agreed that notwithstanding any such release, the lands, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by this Mortgage.

**35. PREAUTHORIZED DEBITS**

The Mortgagor agrees that all payments to be made under this Mortgage shall, unless otherwise agreed to by the Mortgagee, be made by preauthorized debits from an account in the name of the Mortgagor held at a branch of the Mortgagee and that the Mortgagor shall execute any documents required to permit the preauthorized debits.

**36. COMMITMENT LETTER AND ASSIGNMENT BY MORTGAGEE**

The provisions set forth in any commitment letter or other agreement between the Mortgagor and the Mortgagee relating to the loan secured by this Mortgage will not merge with this Mortgage but shall survive the execution, delivery and registration of this Mortgage.

The Mortgagor acknowledges that the Mortgagee may transfer or assign this Mortgage without notice to the Mortgagor. In addition, the Mortgagee may syndicate, securitize or grant participation interests in the Mortgage. The Mortgagor and the Guarantor, if any, agree that the Mortgagee may disclose to a third party any information relating to this Mortgage, including financial information relating to the Mortgaged Premises, the Mortgagor or the Guarantor as may be required in order to effect the aforementioned transactions.

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37. **GUARANTOR**

In consideration of the Mortgagee making loans, accommodations, advances or other extensions of credit to the Mortgagor, each Guarantor hereby agrees with the Mortgagee as follows:

Each Guarantor hereby:

- (a) guarantees the payment on demand by the Mortgagor to the Mortgagee of all of the Principal Amount and other liabilities of the Mortgagor secured or payable under this Mortgage, present or future, direct or indirect, absolute or contingent, matured or not, including, without limitation, principal, interest, taxes, fees and expenses as and when the same are due and payable under this Mortgage (the "Guaranteed Amounts"), and
- (b) covenants and agrees to perform on demand all other covenants and obligations of the Mortgagor under this Mortgage as and when the same are required to be observed or performed under this Mortgage (the "Guaranteed Covenants"),

provided that if the Schedule indicates that there is a maximum principal amount for which the Guarantor is liable, the liability of the Guarantor under this Guarantee (as defined below) in respect of the Guaranteed Amounts shall be limited to such maximum principal amount, together with interest after the date of demand for payment at the Mortgage Interest Rate, and any legal costs (on a solicitor and its own client basis) and expenses incurred in recovering or attempting to recover amounts under this Guarantee.

The obligations of the Mortgagor to pay the Guaranteed Amounts and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "Guaranteed Obligations", and this guarantee is hereinafter referred to as the "Guarantee".

If there is more than one Guarantor, the obligations of the Guarantors under this Guarantee shall be joint and several and any reference herein to "the Guarantor" is to each and every such Guarantor.

If any monies or amounts expressed to be owing or payable under this Guarantee by the Guarantor are not recoverable from the Guarantor, or any of them, on the footing of a guarantee for any reason whatever, such monies or amounts may be recovered from the Guarantor, or any of them, as a primary obligor and principal debtor in respect of such monies or amounts, regardless of whether such monies or amounts are recoverable from the Mortgagor or would be payable by the Mortgagor to the Mortgagee. For greater certainty, but without restricting the generality of the foregoing, if the Mortgagee is prevented or restricted from exercising its rights or remedies with respect to any of the Guaranteed Obligations, including, without limitation, the right of acceleration, the right to be paid interest at the Mortgage Interest Rate in respect of the Guaranteed Obligations or the right to enforce or exercise any other right or remedy with respect to the Guaranteed Obligations, the Guarantor agrees to pay the amount that would otherwise have been due and payable had the Mortgagee been permitted to exercise such rights and remedies in accordance with the terms agreed to between the Mortgagor and Mortgagee; provided, however, that the foregoing characterization of the liability of the Guarantor as that of a primary obligor and principal debtor is not intended and shall not be interpreted to confer on the Guarantor, or any of them, any right, benefit or advantage that the Guarantor would not otherwise have in the absence of such characterization.

Without giving notice to or obtaining the consent or concurrence of any Guarantor, the Mortgagee may:

- (a) grant any time, indulgences, waivers or extensions of time for payment of any of the Guaranteed Obligations;

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- (b) grant any renewals or extensions of this Mortgage with or without a change in the Mortgage Interest Rate or in any other terms or conditions of this Mortgage and whether by express agreement signed by the Mortgagor or otherwise;
  - (c) change the interest rate provided in this Mortgage, either during the initial term of this Mortgage or in any subsequent extension or renewal term, whether by way of increase, decrease, or change in the reference rate by which the interest rate is calculated or determined; change from a fixed rate to a variable or floating rate, or from a variable or floating rate to a fixed rate, or otherwise;
  - (d) change the amortization of this Mortgage, whether by way of increase or decrease;
  - (e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of this Mortgage in any manner whatever;
  - (f) release or discharge from this Mortgage the whole or any part of the Mortgaged Premises;
  - (g) accept compositions, compromises or proposals from the Mortgagor or otherwise deal with the Mortgagor or any other person (including without limitation, the Guarantor or any other Guarantor of the Guaranteed Obligations), any security (including, without limitation, this Mortgage) or the Mortgaged Premises as the Mortgagee sees fit, including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Guaranteed Obligations;
  - (h) release or discharge any Guarantor or one or more other co-covenantors or Guarantors or Mortgagors in respect of this Mortgage whether under this Guarantee or otherwise; or
  - (i) release any subsequent legal or beneficial owner of the Mortgaged Premises from any liability for the Guaranteed Obligations, or any of them, or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Guarantor under this Guarantee, regardless of whether any such action has the effect of amending or varying this Mortgage or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the Guaranteed Obligations. The Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall extend to and include the obligations of the Mortgagor under this Mortgage as so amended, renewed, extended, or varied and the Guaranteed Obligations as so increased, expanded or altered without further action on the part of the Mortgagee or the consent or concurrence of any Guarantor; and for greater certainty and without limiting the foregoing, if the interest rate provided in this Mortgage is increased or otherwise altered, the Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall be extended to and include the obligation of the Mortgagor to pay interest at such increased or altered rate.

The obligations of the Guarantor under this Guarantee shall be unaffected by:

- (a) any lack or limitation of status or power, disability, incapacity, death, dissolution or other circumstances relating to the Mortgagor, any Guarantor or any other party;
- (b) any irregularity, defect, unenforceability or invalidity in respect of this Mortgage or any indebtedness, liability or other obligation of the Mortgagor or any other party;
- (c) any release or discharge of the Guaranteed Obligations, except by reason of their irrevocable payment and satisfaction in full;



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- (d) any judgment obtained against the Mortgagor, or the taking, enforcing, exercising or realizing on, or refusing or neglecting to take, enforce, exercise or realize on, or negligence in taking, enforcing, exercising or realizing on, any security (including without limitation any money on deposit and any guarantee) or any right or remedy, from or against the Mortgagor or any other party or their respective assets or releasing or discharging, or failing, refusing or neglecting to maintain, protect, renew or perfect, any security (including without limitation any money on deposit or any guarantee) or any right or remedy;
- (e) any change in the name, control, objects, business, assets, capital structure, or constitution of the Mortgagor or any Guarantor, or any merger or amalgamation of the Mortgagor or any Guarantor whether or not under the laws of a jurisdiction other than the jurisdiction under which the Mortgagor or Guarantor was originally formed, or any change in the membership of the Mortgagor or any Guarantor, if a partnership, through the death, retirement or introduction of one or more partners, or otherwise; and each reference to the "Mortgagor" or the "Guarantor" in this Mortgage will be deemed to include each corporation and each partnership resulting from any of the foregoing;
- (f) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of this Mortgage or this Guarantee, or the Mortgagor or any Guarantor;
- (g) any failure on the part of the Mortgagee to perfect, maintain or enforce its rights whether due to its default, negligence or otherwise on the part of the Mortgagee with respect to this Mortgage, or any other security granted to the Mortgagee relating to this Mortgage; and
- (h) any other circumstances whatsoever (with or without notice to or the knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor under this Guarantee, or might otherwise constitute a legal or equitable discharge of a surety or guarantor;

it being the purpose and intent of each Guarantor that the liabilities and obligations of each Guarantor under this Guarantee shall be absolute and unconditional under any and all circumstances.

Unless and until all Guaranteed Obligations have been irrevocably paid and satisfied in full and the Mortgagee shall have no further obligation to advance any further monies to the Mortgagor, the Guarantor shall not be subrogated to any of the rights or claims of the Mortgagee in respect of any of the Guaranteed Obligations, or under any security agreement or guarantee or other instrument which may at any time be held by or on behalf of the Mortgagee, and the Guarantor shall not seek any reimbursement from the Mortgagor.

The obligations of the Guarantor under this Guarantee shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor or any of them under this Mortgage (whether such payment shall have been made by or on behalf of the Mortgagor or the Guarantor or any of them) is rescinded, or is reclaimed from the Mortgagee, upon the insolvency, bankruptcy, liquidation, dissolution or reorganization of the Mortgagor or the Guarantor or any of them, or for any other reason.

The Mortgagee shall have no obligation to enforce any rights or remedies or security or guarantees or to take any other steps against the Mortgagor or any other party or any assets of the Mortgagor or any other party before being entitled to demand payment or performance by any Guarantor of its obligations under this Guarantee. Each Guarantor hereby waives all benefit of discussion and division.

Any Guarantor may, by notice in writing delivered to the Mortgagee at the address for service stated in this Mortgage, terminate the Guarantor's liability under this Guarantee with effect from and after the date (the "Termination Date") that is thirty (30) days following the date of such notice in respect of Guaranteed Obligations incurred or arising at any time on or after the Termination Date but not in respect of any Guaranteed Obligations incurred, arising or existing before the Termination Date, even though not then matured. Notwithstanding the foregoing, the Mortgagee may fulfill any requirements of the Mortgagor under this Mortgage or any advance of all or part of the Principal Amount requested by the Mortgagor prior to the receipt of such notice and any liabilities of the Mortgagor resulting from such fulfillment shall be added to the Guaranteed Obligations and shall be secured by this Mortgage and by this Guarantee. Termination of the liability of one or more of the Guarantors shall not affect the liability of any other Guarantor.

Each Guarantor shall indemnify and save harmless the Mortgagee from and against all losses, damages, costs and expenses which the Mortgagee may sustain, incur or become liable for by reason of:

- (a) the failure, for any reason whatever, of the Mortgagor to pay any amounts expressed to be payable pursuant to the provisions of this Mortgage, regardless of whether the Mortgagor's obligation to pay such amounts is valid or enforceable against the Mortgagor;
- (b) the failure, for any reason whatever, of the Mortgagor to perform any other obligation under this Mortgage; or
- (c) any act, action or proceeding of or by the Mortgagee for or in connection with the recovery of such amounts or the performance of such obligations.

This Guarantee shall be operative and binding upon every Guarantor hereto upon execution and delivery of this Mortgage by such Guarantor regardless of whether it has been executed by any other proposed Guarantor or Guarantors.

### 38. LEASEHOLD PROVISIONS

If the interest of the Mortgagor in the Mortgaged Premises or any part thereof derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the Mortgaged Premises or such part thereof (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

- (a) all references herein to "Mortgaged Premises" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Mortgage;
- (b) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the Mortgaged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the Term of the Mortgage, together with the Lease and all right, title and interest of the Mortgagor in the Lease and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the

"Reversion"), as security for the payment to the Mortgagee of the Principal Amount, interest on such amounts and all other amounts secured by the Mortgage and for the performance of all liabilities and obligations secured by the Mortgage upon the terms set out in the Mortgage;

(c) the Mortgagor represents and warrants to the Mortgagee as follows:

- (i) the Mortgagor has good leasehold title to the Mortgaged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Mortgagee;
- (ii) the Lease is, at the time of execution and delivery of the Mortgage, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Mortgagor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;
- (iii) there have been no modifications to the Lease that have not been provided to the Mortgagee;
- (iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Mortgagor up to the date of the Mortgage;
- (v) the Mortgagor has a good right, full power and lawful and absolute authority to demise and sublet the Lease to the Mortgagee (subject to the consent, if necessary, of the appropriate governmental authority if the Mortgaged Premises are located within a national or provincial park); and
- (vi) if the Mortgaged Premises are located within a national or provincial park, the Lease contains all terms necessary in order for the appropriate governmental authority to consent, if necessary, to the mortgage of the Lease, in the manner aforesaid;

(d) the Mortgagor covenants and agrees with the Mortgagee as follows:

- (i) the Mortgagor shall stand possessed of the Reversion in trust for the Mortgagee to assign and dispose of the Reversion in such manner as the Mortgagee shall by notice in writing direct (subject to the right of redemption in the Mortgage) and for one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor hereby irrevocably appoints the Mortgagee to be the attorney of the Mortgagor to assign the term of the Lease as the Mortgagee shall at any time direct;
- (ii) the Mortgagor, at the request of the Mortgagee but at the cost, charge and expense of the Mortgagor, will grant and assign to the Mortgagee, or to whomever the Mortgagee may appoint, the Reversion or any renewal or substituted term of the Lease;
- (iii) the Mortgagor shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts or default which may cause the Lease to be forfeited or determined and the Mortgagor shall indemnify the Mortgagee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;

- (iv) the Mortgagor shall not, during the continuance of the Mortgage, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;
- (v) the Mortgagor shall not, during the continuance of the Mortgage, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Mortgagee;
- (vi) the Mortgagor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Mortgagee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Mortgage remain outstanding;
- (vii) any breach or default under the Lease shall be deemed to be a default under the Mortgage entitling the Mortgagee to demand repayment of all amounts then secured by the Mortgage;
- (viii) if the Mortgagor becomes the owner of the freehold of the lands and premises demised by the Lease, the Mortgage shall increase to be a mortgage of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Mortgagor had been the owner of the freehold, free from encumbrances, at the date the Mortgage took effect. To give effect to the foregoing the Mortgagor does hereby grant and mortgage the freehold interest in the Mortgaged Premises unto the Mortgagee, such grant to take effect upon the Mortgagor acquiring freehold title to the said Mortgaged Premises. The Mortgagor covenants and agrees to execute and deliver at the Mortgagor's expense, forthwith on demand therefor, such further and other documents as the Mortgagee may reasonably require for the purpose of validly giving effect to the foregoing;
- (ix) the Mortgagor shall immediately notify the Mortgagee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;
- (e) any reference in the Mortgage to any charges payable in respect of the Mortgaged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Mortgagor under the Lease and if any amounts are paid by the Mortgagee in respect of amounts owing under the Lease such amounts shall be a lien against the Mortgaged Premises, shall bear interest at the Mortgage Interest Rate and shall be secured by the Mortgage;
- (f) in the event of any default in any payment of rent or other monies due under the Lease or in the performance or observance of any covenant, agreement, condition or proviso contained in the Lease, the Mortgagee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Mortgagee in so doing shall be payable forthwith by the Mortgagor to the Mortgagee, shall bear interest at the Mortgage Interest Rate and shall be a lien on the Mortgaged Premises secured by the Mortgage; and
- (g) in consideration of the sum of one dollar and other good and valuable consideration, now paid by the Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor hereby irrevocably appoints the Mortgagee to be the attorney of the Mortgagor to enforce any covenants of the tenant

under the Lease and to exercise any options to renew the Lease in the Mortgagee's discretion.

39. **SEVERABILITY OF ANY INVALID PROVISIONS**

If at any time any provision of this Mortgage is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Mortgagee unable to collect the amount of any such loss.

40. **HEADINGS**

The paragraph headings in this Mortgage are inserted for convenience of reference only and are deemed not to form part of this Mortgage and are not to be considered in the construction or interpretation of this Mortgage or any part thereof.

41. **INTERPRETATION**

In this Mortgage the expression "the Mortgagor" includes the heirs, executors, administrators, successors and assigns of the Mortgagor and the expression "the Mortgagee" includes the successors and assigns of the Mortgagee, and words in the singular include the plural and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires; and all covenants, liabilities and obligations entered into or imposed under this Mortgage upon each Mortgagor shall be joint and several and shall be equally binding upon his, her, its or their respective heirs, executors, administrators, successors and assigns. Furthermore, all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagee are equally secured to and exercisable by its successors and assigns.

42. **NATIONAL HOUSING ACT**

If this mortgage is insured by the Canada Mortgage and Housing Corporation, this Mortgage shall also be governed by the provisions of the *National Housing Act*, R.S.C. 1985, c.N-11, as amended or replaced from time to time.

**ROYAL BANK OF CANADA CREDIT AGREEMENT**

DATE: July 12, 2021

<b>BORROWER:</b> 1692260 ALBERTA LTD.	<b>SRF:</b> 145045530
<b>ADDRESS</b> (Street, City/Town, Province, Postal Code) 501 15156 Old Trail Lac La Biche, AB T0A 2C0	

Royal Bank of Canada (the "**Bank**") hereby confirms to the undersigned (the "**Borrower**") the following credit facilities (the "**Credit Facilities**"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "**Agreement**"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

**CREDIT FACILITIES**

**Facility #1 Variable rate term loan (non-revolving) in the amount of \$695,780.42.** Repayable by consecutive monthly blended payments of \$5,640.07, including interest, based on a 168 month amortization (payment amount subject to annual adjustments to ensure amortization). Next blended payment is due July 13, 2021. This loan has a 1 month term and all outstanding principal and interest is payable in full on July 13, 2021. Interest rate: RBP + 1.27% per annum.

**Facility #1** as described above in the current amount of \$695,780.42, which is payable in full on July 13, 2021 (the "**Original Facility #1 Maturity Date**"), is renewed, subject to the following revised terms and conditions with effect from and after the Original Facility #1 Maturity Date:

**Facility #1 Fixed rate term loan (non-revolving), fully drawn.** Repayable by consecutive monthly blended payments of \$5,200.00, including interest, based on a remaining 168 month amortization. First payment is due August 13, 2021. This loan has a 12 month term and all outstanding principal and interest is payable in full July 13, 2022. Interest rate: 3.06% per annum. Amount eligible for prepayment is NIL.

**OTHER FACILITIES**

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) All Business Vehicle Solutions Loans and/or Contracts outstanding at any time and from time to time;
- b) All Commercial Mortgage Loans outstanding at any time and from time to time.

**SECURITY**

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, if applicable, (collectively, the "**Security**"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower, located at, used in connection with or arising from the property located at 5008 49 Avenue, Grassland, AB;
- b) Assignment of rents signed by the Borrower constituting a first ranking assignment of all rents arising from the lands and improvements located at 5008 49 Avenue South, Grassland AB;
- c) Collateral mortgage in the amount of \$1,000,000.00 signed by the Borrower constituting a first fixed charge on the lands and improvements located at 5008 49 Avenue, Grassland, AB;

- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$850,000.00 signed by R. Birkill Professional Corporation, supported by a general security agreement – floating charge on land on the Bank's form 923 constituting a first floating charge on all present and after-acquired real property of R. Birkill Professional Corporation and a first ranking security interest in all personal property of R. Birkill Professional Corporation.

## **FEES**

### **Renewal Fee:**

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional renewal fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

## **REPORTING REQUIREMENTS**

The Borrower will provide to the Bank:

- a) annual notice to reader financial statements for the Borrower and R. Birkill Professional Corporation, within 90 days of each fiscal year end;
- b) annual personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2022;
- c) annual rent roll, income and expense statements, including tenant names, rental, terms of lease/expiry dates for property located at 5008 49 Ave, Grassland, AB, within 90 days of each fiscal year end;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

## **BUSINESS LOAN INSURANCE PLAN**

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the

\* Registered trademark of Royal Bank of Canada.

time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

**STANDARD TERMS**

The following standard terms have been provided to the Borrower:

- Form 472 (11/2020) Royal Bank of Canada Credit Agreement – Standard Terms
- Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

**ACCEPTANCE**

This Agreement is open for acceptance until August 11, 2021, after which date it will be null and void, unless extended by the Bank in its sole discretion.

**ROYAL BANK OF CANADA**



Per: \_\_\_\_\_  
Title: Vice President

**RBC Contact: Danielle Swan**

/ak

**CONFIRMATION & ACCEPTANCE**

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 23 day of Feb, 2021.

1692260 ALBERTA LTD.

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

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

I/We have the authority to bind the Borrower

\* Registered trademark of Royal Bank of Canada.



You warrant and guarantee that all persons whose signatures are required to sign on the Account have signed below and agree to the terms of the Authorization for Pre-Authorized Payment. You acknowledge that you have read and agree to the terms of this Contract including the Conditional Sales Contract Terms and Conditions attached or included.

Date MAY 25 2018

Buyer's Signature 

Seller's Authorizing Signing Officer 

Co-Buyer's Signature \_\_\_\_\_

Co-Buyer's Signature \_\_\_\_\_

Co-Buyer's Signature \_\_\_\_\_

Other Signatory of Joint Account for Pre-Authorized Payment \_\_\_\_\_

**ASSIGNMENT AGREEMENT**

**TO: ROYAL BANK OF CANADA ("the Bank")**

For value received, the Seller under the terms of the above Contract absolutely assigns and transfers to the Bank all right, title and interest of the Seller in and to the Contract and the Goods, including without limitation, the benefit of all insurance of the Goods. The Seller represents and warrants that: (1) the Goods are free from all liens and encumbrances except the rights of the Buyer under the Contract; (2) the cash payment specified in the Contract was received by the Seller and no part of the cash payment was loaned to the Buyer by the Seller; (3) the Contract arose from the bona fide sale of the Goods in the normal course of business, and the Goods have actually been delivered into the possession of and have been accepted by the Buyer; (4) all information contained in the Contract is accurate and complete; (5) the obligations of the Buyer as set out in the Contract are binding and will continue to be free from defence or set-off; and (6) the Seller has complied with all provincial registration requirements in connection with the Contract and its assignment and has registered the Goods in the Buyer's name. The Seller promises not to accept collections or otherwise deal with the Goods and to comply with its obligations under the Contract and all related law. The Seller agrees to indemnify the Bank for all loss, damages, or expenses resulting from any breach of the above representation, warranties, or promises regardless of any action or inaction by the Bank.

Executed this MAY 25 2018, at EDMONTON AB  
Date City, Town Province

Name of Seller: DERRICK DODGE By   
(Authorized Signing Officer)

You have certain recourse rights if any debit does not comply with this Agreement. For example, you have the right to receive reimbursement for any PAD that is not authorized or is not consistent with this PAD Agreement. To obtain more information on recourse rights, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

A PAD may be disputed by any one of the undersigned under the following conditions: (i) if the PAD was not drawn in accordance with this authorization; or (ii) if this authorization was revoked. In order to be reimbursed, the undersigned acknowledge(s) that a declaration to the effect that either (i) or (ii) took place must be completed and presented to the branch of the financial institution holding the Account no later than 90 calendar days after the date on which the PAD in dispute was posted to the Account. You acknowledge that after this 90 day period, you will resolve any claim or dispute that you may have regarding a PAD solely with the Bank.

**ADDITIONAL TERMS AND CONDITIONS**

- a) All rights and remedies provided for in this Contract are cumulative and not alternative. Our waiver of any default by you shall not operate as a waiver with respect to any subsequent default.
- b) The security interest in the Goods created by this Contract is intended to attach when this Contract is signed by the parties. By signing the Contract you grant to the Seller and its assignee a purchase money security interest in the Goods and any proceeds of the Goods, including proceeds arising from a policy of insurance.
- c) Where permitted by law, you waive your right to receive a copy of any financing statement or financing change statement registered or verification statement received in respect of such registration by us. You agree that a copy of this Contract will be admissible in any legal or other proceedings in the same manner as an original of this Contract, and you waive any right to object to the introduction of such copy in evidence.
- d) If you are a corporation, you waive the rights, benefits and protection given by section 49 of the Law of Property Act of Alberta and agree that The Limitation of Civil Rights Act of Saskatchewan will not apply to this Contract or to any agreement renewing or extending or collateral to the Contract.
- e) Where permitted, you agree to extend any limitation period applicable to this Contract to six (6) years or any longer period permitted by law.
- f) No modification, variation or amendment of any provision of this Contract shall be made except by a written agreement executed by the parties.
- g) In the event any provision of this Contract, as amended from time to time, is prohibited by any law, or deemed invalid or void, in whole or in part, by any court, such provision, or part thereof, shall be ineffective to the extent of such prohibition or court order without invalidating the remaining terms and provisions of this Contract.
- h) You have the right to cancel any optional services of a continuing nature that you have agreed to obtain under this Contract by providing us with 30 days prior written notice of your intent to cancel that service at the address indicated above on this Contract. If you choose to cancel any such optional service, you are entitled to a refund of any amount you have already paid for charges relating to any portion of this optional service that has not been provided at the time we receive your written notice.
- i) If the Goods are described as a Boat in section 3 of this Contract, this Contract shall constitute a bill of sale for the purpose of licensing the Boat pursuant to the Canada Shipping Act.

All dollar amounts referred to in this Contract are in lawful money of Canada.

**AUTHORIZATION FOR PRE-AUTHORIZED PAYMENT**

This loan has been obtained for personal  or business  (please select one) purposes. You, the Buyer, hereby authorize the Bank to debit all loan payments in the amounts and at the intervals specified above and/or a one-time payment from time to time that may be owing pursuant to the terms of this Contract from the Account that you have with the Bank or another financial institution. In the event that there are insufficient funds in the Account, the Bank may represent for payment within 30 days. This authorization is provided for the benefit of the Bank and is provided in consideration of the Bank's agreement to process the PAD against the Account in accordance with the rules of the Canadian Payments Association and subject to the Pre-Authorized Payment clause in the Terms and Conditions.

Financial Institution	Transit No.
Branch Address	Financial Institution No.
Name(s) on Account	Account No.

- f) we reasonably believe that you have committed fraud, or criminal or illegal activity in relation to this Contract, the loan or your vehicle, or we determine it would be unlawful for us to continue to have this Contract with you.

Upon Default we can require you to pay at once the Contract Amount due and anything else payable under this Contract, without notice demand or, alternatively, with such notice as required by applicable law. If you commit an act of bankruptcy or if bankruptcy, receivership or insolvency proceedings are commenced against you and we allow you to keep the Goods and continue to make payments, upon the making of any such one payment, you reaffirm your obligation to repay the entire amount owing under the Contract.

Furthermore, upon Default we may take possession of or otherwise enforce our rights against the Goods, and we may sell, lease, or otherwise dispose of the Goods in such manner and for such consideration as we feel is reasonable and in accordance with applicable law. You agree to pay any amounts still owing under the Contract after the sale or other disposition of the Goods.

You agree to pay all amounts charged to you pursuant to this Contract and all costs, charges and expenses we reasonably incur and any legal fees on a solicitor and client basis and court costs when enforcing this Contract and our rights against the Goods which will be a first charge on the proceeds of realization of the Goods and shall be secured by this Contract. All money collected or received by us in exercise of any right we possess with respect to the Goods shall be applied against the Contract Amount in such a manner as we deem best and in accordance with applicable law.

Furthermore, you agree that if your cheque or pre-authorized payment is not processed or is returned unpaid for any reason on the date the related payment was due, you will pay the Bank the sum of **\$45.00** representing a standard charge fee.

**BUYER'S ACKNOWLEDGEMENT**

**Acknowledgement.** You accept and acknowledge delivery of the Goods in good condition. You acknowledge that the Goods comply with the written description of them given in this Contract and that no representation, collateral agreement, condition, warranty, or guarantee expressed or implied, by statute or otherwise, has been made by us. You further acknowledge that this Contract is being assigned, and waive any defence to payment or right of set-off as against the Bank.

**TRANSACTION DOCUMENTS**

This Contract is signed as part of your transaction to purchase the Goods. You may also have signed another agreement detailing further terms and conditions relating to the purchase of the Goods. If you have signed another document, it is attached to the Contract as a schedule. You agree that this Contract and any related agreement will constitute the entire agreement relating to the sale of the Goods. If there is a conflict between the terms of this Contract and any other agreement relating to the sale of the Goods, the terms of this Contract will prevail.

**PRE-AUTHORIZED PAYMENT**

You agree that any direction you may provide to draw pre-authorized debits, including any top-ups or adjustments ("PAD"), and any PAD drawn in accordance with this authorization will be binding on you. You agree that delivery of this authorization to the Bank constitutes delivery by you to the Bank and to the financial institution where the account indicated below (the "Account") is held. You agree that the financial institution holding the Account is not required to verify that any PAD has been drawn in accordance with this authorization, including the amount, frequency and fulfilment of any purpose of any PAD.

These instructions are effective until written notice to the contrary is given by you to the Bank. You agree that from time to time you may authorize the Bank to deduct such PAD from another account which may be held at the same or another financial institution upon your written or oral instructions. Upon designating such other account, the terms of this authorization and the authority provided to the Bank and to any other financial institution shall apply to that account and all debits made pursuant to this authorization.

This authorization may be cancelled or revoked at any time upon notice being provided by any one of the undersigned, in writing, to the Royal Bank of Canada, 10 York Mills Road, Toronto, Ontario M2P 2E5, with proper authorization to verify the identity of the person, within 30 days before the next PAD is to be issued. For more information on this PAD, call 1-800-769-2511. To obtain a sample cancellation form, or for more information on the right to cancel a PAD agreement, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

The Bank may cancel your right to pay by PAD (i) immediately without notice, if any PAD is not honoured by the financial institution where the Account is held because there are insufficient funds in the Account; or for any other reasons whatsoever which prevent the transfer of funds; or (ii) on 30 days written notice to you at the address shown in the Bank's records. You acknowledge that revocation or cancellation of this authorization applies only to the method of payment and does not terminate or otherwise have any bearing on the Contract or the amount owing under this Contract.

You agree to waive any pre-notification requirements that apply to any pre-authorized debit under this Agreement. This means you accept that notice will not be provided before the due date of any PAD.

in this section 5 in addition to the amount (in capital and interest) of your regular deferred payment stated in section 5, we will add such unpaid compound interest to the Contract Amount and interest for the next ensuing payment period will be calculated at the rates stated in section 4 row 12a of this Contract on such Contract Amount, as increased by the unpaid compound interest. Alternatively, we can demand payment of, and you promise to pay, overdue interest and unpaid compound interest immediately when we ask you to pay it.

- (e) **LoanProtector Insurance.** If you have applied and are accepted for LoanProtector insurance, each regular loan payment includes your actual LoanProtector insurance premium, and the total amount of all payments includes your total insurance cost for the term. LoanProtector insurance is voluntary and may be cancelled at any time by sending a written request to the Insurance Service Centre. If you cancel your insurance, your final premium will be adjusted to reflect insurance costs up to and including the date the Insurance Service Centre receives your cancellation. For further details and for contact information for the Insurance Service Centre, please see your LoanProtector Certificate of Insurance. If you have applied for LoanProtector insurance, you acknowledge that you have received a Certificate of Insurance that explains the terms and conditions of your insurance. If there are any discrepancies between the coverage status or the cost of insurance set out in this Contract, the provisions of your Certificate of Insurance govern.  
LoanProtector insurance premium and applicable taxes: \$

## SALES CONTRACT TERMS AND CONDITIONS

### TITLE TO THE GOODS

The title to and ownership of the Goods will not pass to you on delivery. The title to and ownership of the Goods will remain with us until all amounts owing under this Contract or any related judgment has been paid in full, at which time it will pass to you. For greater certainty, the Goods are not available to any other creditor to satisfy a debt owed by you until our loan is paid in full and title to the Goods has passed to you. The Goods will be at your risk, and no damage to or loss to the Goods, however caused, will relieve you of any obligations under the Contract.

### BUYER'S PROMISES

So long as this Contract remains in effect, you promise and agree:

- a) to keep the Goods in good condition and repair and to permit us to inspect the Goods; or
- b) to keep the Goods free of any security interest, mortgage, lien, charge or encumbrance and to defend the Goods from all other parties claiming an interest in the Goods;
- c) to promptly pay all taxes, assessments, license fees and other charges levied or assessed against the Goods;
- d) not to part with any registered or unregistered ownership, possession, interest or control of the Goods or rent, sell or otherwise dispose of any interest in the Goods without our written consent;
- e) to notify us promptly of any changes in the information contained in this Contract and of any claim, litigation, loss or damage which relates to you or the Goods;
- f) to promptly notify us by calling us at 1-800-769-2511 in advance each time you change your place of residence or permanently change the location of the Goods within the province; and that you will not remove the Goods from the province or territory listed in your address above or relocate your vehicle out of Canada without our written consent;
- g) to execute, acknowledge and deliver such financing statements, financing change statements and further documents as we may reasonably request with respect to the Goods in order to give effect to this Contract and to pay all costs for related searches and filings, including any fees of a service provider;
- h) to fully insure the Goods on an all risks basis at your expense with an insurer of your choice that has been approved by us (acting reasonably) with the loss payable to us as the insured, and to deliver copies of all policies to us upon request and furthermore, in the event that the carrier of your insurance is a government or government agency, to ask and authorize them to pay us instead of you all monies which might be payable to you in respect of your insurance;
- i) not to use the Goods in violation of the provisions of this Contract or any policy insuring them or any applicable law; and
- j) to ensure the Goods will remain personal or moveable property and will not become part of any real or immovable property.

### DEFAULT

You are in default of this Contract ("Default") if:

- a) you fail to pay when due any amounts payable under this Contract or to perform any obligation contained in this Contract or any other agreement between you and us; or
- b) bankruptcy, receivership or insolvency proceedings are commenced by or against you or if you die; or
- c) you breach any promise under this Contract, or any information provided in connection with this Contract proves to have been false; or
- d) we in good faith believe and have reasonable cause to believe that the prospect of payment is or is about to be impaired or that the Goods are or are about to be placed in jeopardy; or
- e) loss, theft, material damage, abandonment, distribution or sale to or of any of the Goods, or the making of any levy, seizure or attachment to the Goods occurs; or

- <sup>1</sup> If you are a GST/HST registrant, section 4 row 5 should not be subtracted if trade-in was used in commercial activities.
- <sup>2</sup> Your current interest rate is the sum that results from applying your interest rate premium or discount to the Prime Rate. The interest rate will, from time to time, vary automatically, each time there is a change in the Prime Rate. The interest rate will always be the Prime Rate plus or minus the number of percentage points per annum referred to above; however, if the interest rate includes a discount below the Prime Rate, your interest rate can never go below 0% per annum. For example, if the Prime Rate is 1.0% and your discount is 1.5%, the interest rate will be 0% until the point in time the Prime Rate is higher than 1.5%. If the Prime Rate is 2.5% and your discount is 1.5%, your interest rate will be 1.0% until the Prime Rate changes.
- <sup>3</sup> The Prime Rate is the annual rate of interest announced from time to time by the Bank (defined below) as a reference rate for determining interest rates on Canadian dollar commercial loans in Canada. The Prime Rate is posted at all of the Bank's branches and on its website. You agree that if it is necessary for the Bank to prove the Prime Rate in effect at any time, a written certificate from the Bank setting forth its Prime Rate at that time shall be conclusive evidence for that purpose.
- <sup>4</sup> At this interest rate, the outstanding balance of your Contract Amount would begin to increase. This would extend the amortization period.
- <sup>5</sup> In Sask./N.S. the Cost of Borrowing as a percentage of the Amount Financed is %.

## 5. TERMS OF PAYMENT

You must pay the Contract Amount to ROYAL BANK OF CANADA (the "Bank"), the assignee of our interest under this Contract as follows:

- (a) The Contract Amount in equal **BI-WEEKLY payments<sup>6</sup>** which include principal and interest and LoanProtector<sup>®</sup> insurance premiums, if applicable, of **\$696.70**, commencing on the Date of Commencement, and continuing at the payment frequency shown in section 4B to and including the Maturity Date and the balance, if any, of the Contract Amount is payable on the date last mentioned.

<sup>6</sup> For payments due on the 29th, 30th or 31st of each month, the February payment will fall due on the last day of the month. For payments due on the 31st, the April, June, September or November payments will be due on the 30th of the month.

The term of the loan is **60 months**, the amortization period is **60 months**, and if all payments are made on their respective due dates, based on the annual percentage rate stated in section 4 row 12f of this Contract, you will owe **\$0.00** on the Maturity Date.

<sup>7</sup> Calculated, and accurate, to within 1/8 of 1% of the annual percentage rate stated in section 4 row 12f of this Contract.

The Bank will apply each payment in section 5 and any other payment that you may make from time to time first to pay the LoanProtector insurance premium, if applicable, interest due at the annual percentage rate stated in section 4 row 12f, and the balance thereof in reduction of the balance.

- (b) **Additional Terms if This Is a Variable Rate Contract:** If the Prime Rate increases, a larger portion of your payment will be applied against accrued interest. This will delay the reduction of the amount you owe. If the Prime Rate declines, a larger portion of your payment will be applied against the principal amount you owe. This will accelerate the reduction of the amount you owe. Based on the Contract Amount, the annual interest rate above which your payment would not cover the interest due from one payment date to the next is the Triggering Rate shown in section 4 row 12a. Beyond this interest rate, the outstanding principal amount would begin to increase. This would extend the amortization period of your loan. Your regular payment is designed to cover interest and pay off some of the principal amount. Your interest rate is linked to our Prime Rate, which changes from time to time, so your interest rate may change. If your interest rate increases such that your payment is less than the amount of interest accrued during the payment period, then your payment must increase to cover the interest. The Triggering Rate is the interest rate at which this will happen. As you pay down your loan, the Triggering Rate will increase, which makes it less likely that a payment increase will occur. If you are not in default under this Contract, a regular installment is not sufficient to pay all interest owing on the Contract Amount then outstanding, and provided we have not demanded payment of your Contract Amount, you agree that we may, without notice to you, increase your regular installment in increments of **\$2.00** until your regular installment is sufficient to pay all interest that has accrued from the last installment date up to and including the date of the next installment. This amount will become your new regularly scheduled installment unless we agree to accept a different installment payment or the installment payment is again increased as described in this paragraph. The annual interest rate at which this will occur, calculated on the Amount Financed, is the Triggering Rate shown in section 4 row 12a above.
- (c) **Pre-Payment:** In addition to the payments in section 5, you may at anytime pay the amount owing under the Contract in whole or in part without notice, penalty or bonus. Any partial payment shall not reduce the amount of the monthly payments in section 5. If you prepay the full outstanding balance of the Contract Amount at any time, you will be entitled to any refund or credit from us on the Cost of Borrowing for this Contract as may be required by, and calculated pursuant to, applicable law.
- (d) **Payment Default:** If you do not pay an installment on its due date or the entire unpaid amount of the Contract Amount is declared to be due and payable and is not paid when due, we will add the overdue interest to the Contract Amount and charge you interest on the combined amount until it is paid. This is called compound interest. We calculate compound interest at the interest rate stated in section 4 row 12a of this Contract. You promise to pay compound interest at the same frequency as your regular installments, both before and after maturity, default and judgment, until the Contract Amount is paid in full. If, at the end of a payment period, you do not pay compound interest calculated in the manner provided above

**4. DISCLOSURE STATEMENT**

A. COST OF FINANCING THE PURCHASE OF THE GOODS		
1	Price of Goods (including accessories, installation, delivery and other costs)	\$ 72,824.78
2a	Replacement warranty	+\$ 0.00
2b	Optional accident and health insurance (including applicable taxes)	+\$ 0.00
2c	Optional extended warranty insurance premium	+\$ 5,978.00
2d	Optional life insurance (including applicable taxes)	+\$ 0.00
2e	Contract registration fees and/or title insurance (including applicable taxes)	+\$ 37.46
2f	Other components (if applicable) – Describe:	+\$ 0.00
3a	GST/HST (calculated on total of (1 + 2c + 2f – 5) x tax rate) <sup>1</sup>	+\$ 4,015.14
3b	PST (calculated on total of (1 – 5) x tax rate)	+\$ 0.00
4	<b>Total cost of Goods</b>	\$ 82,855.38
5	Trade-in allowance <sup>1</sup>	\$ 0.00
6	Less lien on trade-in	-\$ 0.00
7	Net trade-in allowance	-\$ 0.00
8	Cash down-payment	+\$ 0.00
9	Total down-payment (7 + 8)	+\$ 0.00
10	<b>Total amount of advances to be financed (4 – 9) ("Amount Financed")</b>	=\$ 0.00
		\$ 82,855.38
B. INSTALLMENTS		
11a	Date of Commencement: <b>06/08/2018</b> ("Date of Commencement") Maturity Date: <b>05/19/2023</b> ("Maturity Date") Payment frequency is as follows: <input type="checkbox"/> Monthly, on the _____ day of each month commencing _____ <input type="checkbox"/> Weekly, every week on every _____ commencing _____ <input checked="" type="checkbox"/> Bi-weekly, every two weeks on every second <b>FRIDAY</b> commencing <b>06/08/2018</b> <input type="checkbox"/> Semi-monthly, twice a month on the _____ and the _____ day of each month (commencing _____)	
	Each payment will be as follows: <b>\$ 696.70</b> ("Payment Amount")	
11b	Total amount of all installments	\$ 90,571.00
C. COST OF BORROWING		
	Interest Rate per Annum (initial interest rate if it is a variable rate) <sup>2</sup>	3.59%
12a	<input checked="" type="checkbox"/> Fixed Rate: <b>3.59%</b> per annum, calculated monthly, both before and after maturity default and judgment <input type="checkbox"/> Variable Rate: The Prime Rate <sup>3</sup> (as of the contract date _____ %) in effect from time to time, plus or minus _____ % per annum, compounded in arrears at the same frequency as your payment, on amounts owing, before and after maturity, default and judgment. Your current interest rate is compounded in arrears at the same frequency as your payment. "Triggering Rate" <sup>4</sup> : Estimated at _____ % per annum	
12b	Non-interest Charges: (Information purpose only) i. Rebate for Cash Customer Only (including applicable taxes) ii. Other Fees (if applicable) – Describe:	\$ 0.00
12c	Total Value Given By You (payments) (5 + 8 + 11b + Balance at Maturity <sup>7</sup> (if applicable))	\$ 90,571.00
12d	Total Value Received By You (advances) (4 + 6)	\$ 82,855.38
12e	Total Cost of Borrowing (12c - 12d)	\$ 7,715.62
12f	Annual Percentage Rate (APR) <sup>5</sup> (total Cost of Borrowing expressed as an annual percentage rate)	3.59%
12g	Cash Price if Customer Were To Make Purchase with Cash Only (1 – 12b(i)) Total Cash Price – Yukon/Nunavut (4 – 12b(i)); N.S. (1 + 3) Balance of Cash Price – N.S. (1 + 3 – 9) Balance of the Total Cash Price – Yukon/Nunavut ((4 – 12b(i)) – 9); N.S. (4 – 9) Balance Owning – Yukon/Nunavut ((4 – 12b(i)) – 9 + 12e) Aggregate/Total Cost for the Term – Yukon/Nunavut ((4 – 12b(i)) + 12e); P.E.I. (4 – 9)	\$ 72,824.78 \$ 0.00 \$ 0.00 \$ 0.00 \$ 0.00
13	<b>Total Balance (10 + 12a) ("Contract Amount")</b>	\$ 90,571.00

**2. TRANSACTION**

We agree to sell and you jointly and severally agree to purchase from us and agree to pay for, under the Terms and Conditions of this Contract, the following property together with all attachments, accessories, repairs or replacement parts or other equipment placed on or added to the property (collectively called the "Goods").

**3. DESCRIPTION OF GOODS COVERED**

New  Used       Automobile       Boat       Other Property:  
 Make **RAM**      Model **1500**      Body Type **SPORT CREW CAB SWB 4WD**  
 Year **2018**      Vehicle/Hull Identification/Serial No. **1C6RR7MM7JS282671**      Licence No./Plate

New  Used       Recreational Vehicle  
 Make      Model No.  
 Year      Identification/Serial No.      Licence No./Plate

New  Used       Trailer  
 Make      Model No.  
 Year      Identification/Serial No.      Licence No./Plate

New  Used       Motor 1  
 Make      Model No.  
 Year      Identification/Serial No.

New  Used       Motor 2  
 Make      Model No.  
 Year      Identification/Serial No.

Note: Our invoice/bill of sale is appended to this Contract and forms an integral part of it.

Location of Goods  
**LAC LA BICHE ALBERTA**



Royal Bank of Canada  
**CONDITIONAL SALES CONTRACT**  
(For use in all provinces except Quebec)

Application Number **70015000**

**1. PARTIES**

Seller Name **DERRICK DODGE**

Seller Address

Street  
**6211 104TH ST**

City  
**EDMONTON**

Province  
**AB** Postal Code  
**T6H2K8**

Buyer's First Name  
**1692260 ALBERTA LTD.**

Full Middle Name

Last Name (Surname)

Date of Birth

Address Street Number & Name

**501 ULLIAC DRIVE**

*Box 510*

City

**LAC LA BICHE**

Apt. No. Province  
**AB**

Postal Code  
**T0A2C0**

Buyer's Identification Type

*@*

Buyer's Identification #

Place of Issue/  
Country of Issuance

Expiry Date

Co-Buyer's First Name  
**RICHARD**

Full Middle Name  
**SIDNEY**

Last Name (Surname)  
**BIRKILL**

Date of Birth  
**08/17/1967**

Address Street Number & Name

**501 ULLIAC DRIVE**

*Box 510*

City

**LAC LA BICHE**

Apt. No. Province  
**AB**

Postal Code  
**T0A2C0**

Co-Buyer's Identification Type  
**CANADIAN DRIVER'S LICENSE**

*@*

Co-Buyer's Identification #  
**145864-484**

Place of Issue/  
Country of Issuance  
**AB**

Expiry Date  
**08/17/2019**

Co-Buyer's First Name

Full Middle Name

Last Name (Surname)

Date of Birth

Address Street Number & Name

City

Apt. No. Province Postal Code

Co-Buyer's Identification Type

Co-Buyer's Identification #

Place of Issue/  
Country of Issuance

Expiry Date

Co-Buyer's First Name

Full Middle Name

Last Name (Surname)

Date of Birth

Address Street Number & Name

City

Apt. No. Province Postal Code

Co-Buyer's Identification Type

Co-Buyer's Identification #

Place of Issue/  
Country of Issuance

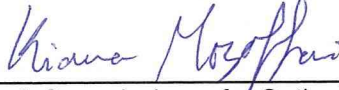
Expiry Date

In this Contract, please remember that the words "you" and "your" mean all persons signing this Contract as the Buyer and Co-Buyer, and the words "we", "us" and "our" mean the Seller.

Page 12 of 19 received on 6/1/2018 2:43:53 PM [Eastern Daylight Time] RBC amount: \$5,522,933



Exhibit "C" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari".

---

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

R. Birkill Prof Corp -100% owned by Richard Birkill

Associated Medical Clinic  
1000017 101 ST Ave  
Lac La Biche, Alberta  
T0A 2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
R. Birkill Professional	Bank Account	08799-1002187	\$ 5,374.31		\$ 5,371.31
R. Birkill Professional	Operating Line	3009-34128637-001	\$ 100,000.00	\$ 152.52	\$ 100,152.53
R. Birkill Professional	CEBA	451450000521365	\$ 60,000.00		\$ 60,000.00
					\$ 105,523.84

1692260 Alberta Ltd-100% owned by R. Birkill Prof Corp

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
1692260 Alberta Ltd	Demand	3009-32167893-003	\$ 670,244.28	\$ 4,433.44	\$ 674,677.72
1692260 Alberta Ltd	Demand	4993-48870811-001	\$ 31,306.23	\$ 83.13	\$ 31,389.36
1692260 Alberta Ltd	Commercial Mtg	3009-46297470-001			\$ 1,429,201.72
					\$ 2,135,268.80

Birkill Holdings Ltd- 100% owned by Richard Birkill

501 ULLIAC DR  
LAC LA BICHE ALBERTA  
T0A2C0

780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
Birkill Holdings Ltd	Residential Mtg	8799-93620888-001			\$ 431,970.19
					\$ <b>431,970.19</b>

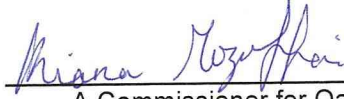
1015314 Alberta Ltd- 100% owned by Richard Birkill

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
1015314 Alberta Ltd	Bank Account	5839-1005719	\$ (1,935.54)		\$ (1,935.54)
1015314 Alberta Ltd	CEBA	451450005721382	\$ 60,000.00		\$ 60,000.00
					\$ (1,935.54)

Delinquent  
CEBA

Exhibit "D" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

**MORTGAGE****LAND TITLES ACT (ALBERTA)**

1. NAME AND ADDRESS OF MORTGAGOR (THE "MORTGAGOR") BIRKILL HOLDINGS LTD. OF BOX 510, LAC LA BICHE, ALBERTA, TOA 2C0
2. NAME AND ADDRESS OF ANY GUARANTOR (THE "GUARANTOR") (if applicable) RICHARD BIRKILL OF BOX 510, LAC LA BICHE, ALBERTA, TOA 2C0
3. MAXIMUM PRINCIPAL AMOUNT FOR WHICH GUARANTOR IS LIABLE (if applicable). (If not completed, the Guarantor shall be liable for the full amount of the Mortgage.) SIX HUNDRED AND TWELVE THOUSAND (\$612,000.00) DOLLARS
4. NAME AND ADDRESS OF MORTGAGEE (THE "MORTGAGEE") ROYAL BANK OF CANADA OF 10 YORK MILLS ROAD, 3RD FLOOR, TORONTO, ONTARIO, M2P 0A2
5. LEGAL DESCRIPTION OF LANDS PLAN 4313BF, BLOCK 10, LOT 24 EXCEPTING THEREOUT ALL MINES AND MINERALS <input type="checkbox"/> leasehold interest <input checked="" type="checkbox"/> Freehold interest
6. PAYMENT PROVISIONS
(a) Principal Amount: \$ <u>612,000.00</u>
(b) Interest Rate: (i) if fixed rate of interest: <u>2.690</u> % per annum, calculated semi-annually not in advance. <del>(ii) if variable rate of interest based on the Prime Rate: the Prime Rate as it will vary from time to time, plus a premium / minus a discount of _____ % per annum, calculated monthly not in advance. (iii) if RateCapped rate of interest based on the Prime Rate: the Prime Rate, as it will vary from time to time, plus a premium / minus a discount of _____ % per annum, calculated monthly not in advance, the combined total never to exceed _____ % per annum (the "RateCapper Maximum Rate"). calculated monthly, not in advance.</del>

Delete -  
inapplicable  
options

(c) Interest Adjustment Date: April 1, 2013												
(d) Payment Date: <u>1st</u> day of each and every month in each and every year until the Balance Due Date.												
(e) First Payment Date: May 1, 2013												
(f) Last Payment Date: April 1, 2015												
(g) Balance Due Date: April 1, 2015												
(h) Payment Amount: THREE THOUSAND TWO HUNDRED AND NINETY FIVE DOLLARS AND FORTY FIVE CENTS (\$3,295.45)												
(i) Calculation Period: Semi-annually not in advance												
(j) <u>Additional Provisions:</u> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Conventional</td> <td><input type="checkbox"/> Conventional High Ratio</td> </tr> <tr> <td><input type="checkbox"/> National Housing Act</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Progress Advances (you will be advised of the amount of any hold back at the time of each advance)</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Interest only</td> <td><input checked="" type="checkbox"/> Blended payments of principal and interest</td> </tr> <tr> <td><input type="checkbox"/> Open</td> <td><input checked="" type="checkbox"/> Closed</td> </tr> <tr> <td><input type="checkbox"/> Investor Mortgage</td> <td><input type="checkbox"/> Convertible</td> </tr> </table>	<input checked="" type="checkbox"/> Conventional	<input type="checkbox"/> Conventional High Ratio	<input type="checkbox"/> National Housing Act		<input type="checkbox"/> Progress Advances (you will be advised of the amount of any hold back at the time of each advance)		<input type="checkbox"/> Interest only	<input checked="" type="checkbox"/> Blended payments of principal and interest	<input type="checkbox"/> Open	<input checked="" type="checkbox"/> Closed	<input type="checkbox"/> Investor Mortgage	<input type="checkbox"/> Convertible
<input checked="" type="checkbox"/> Conventional	<input type="checkbox"/> Conventional High Ratio											
<input type="checkbox"/> National Housing Act												
<input type="checkbox"/> Progress Advances (you will be advised of the amount of any hold back at the time of each advance)												
<input type="checkbox"/> Interest only	<input checked="" type="checkbox"/> Blended payments of principal and interest											
<input type="checkbox"/> Open	<input checked="" type="checkbox"/> Closed											
<input type="checkbox"/> Investor Mortgage	<input type="checkbox"/> Convertible											
7. STANDARD MORTGAGE TERMS  This Mortgage consists of the Mortgagee's set of Standard Form Mortgage Terms ("SMT") filed at the Alberta Land Titles Office as Instrument number <u>052 346 653</u> together with all schedules thereto and is subject to the terms contained in the SMT as varied by any deletions from, or amendments or additions to the terms of the SMT as set out herein.												

8. DELETED, AMENDED OR ADDED TERMS

See Schedule "A" (if any).

~~For Conventional High Ratio or National Housing Act mortgages: This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the Law of Property Act apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.~~

9. ACKNOWLEDGEMENTS

The Mortgagor hereby acknowledges as follows:

- (a) That the Mortgagor understands the nature of the SMT referred to in clause 7 above and the statements made in the said clause;
- (b) That the Mortgagor has been given a copy of the SMT;
- (c) That the Mortgagor is the registered owner of the mortgaged Property; and
- (d) For better securing to the Mortgagee the repayment in the manner set out above of the Principal Amount and interest and all other indebtedness and obligations of the Mortgagor secured by this Mortgage, the Mortgagor mortgages and charges to the Mortgagee all the Mortgagor's estate and interest in the mortgaged Property.

**THE GUARANTOR HEREBY ACKNOWLEDGES THAT THE GUARANTOR HAS BEEN GIVEN A COPY OF THE SMT.**


10. EXECUTION BY MORTGAGOR

The Mortgagor has executed this Mortgage on March 28, 2013  
(insert date)

\_\_\_\_\_  
Witness

BIRKILL HOLDINGS LTD.

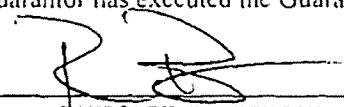
\_\_\_\_\_  
Witness

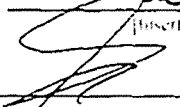
Per:   
Richard Birkill

\_\_\_\_\_  
Witness

11. EXECUTION BY GUARANTOR

The Guarantor has executed the Guarantee of Mortgage on March 28, 2013  
(insert date)

  
Witness - RANDOLPH R. BENSON

  
RICHARD BIRKILL





CONSENT OF SPOUSE

I, \_\_\_\_\_, being  
[name of spouse]  
married to the above named \_\_\_\_\_,  
[name of mortgagor]

do hereby give my consent to the disposition of our homestead made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by THE DOWER ACT, to the extent necessary to give effect to the said disposition.

\_\_\_\_\_  
[Signature of Non-Crown Spouse]

CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE

1. This document was acknowledged before me by \_\_\_\_\_  
[name of spouse]

\_\_\_\_\_ apart from her husband (or his wife).

2. \_\_\_\_\_ acknowledged to me that she (or he):

- (a) is aware of the nature of the disposition;
- (b) is aware that THE DOWER ACT gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
- (d) consents to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by THE DOWER ACT, to the extent necessary to give effect to the said disposition; and
- (d) is executing this document freely and voluntarily without any compulsion on the part of her husband (or his wife).

DATED at \_\_\_\_\_, Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of a Commissioner for Oaths  
in and for the Province of Alberta

**DOWER ACT AFFIDAVIT**

I, \_\_\_\_\_  
[name]  
of \_\_\_\_\_,  
[address] \_\_\_\_\_, \_\_\_\_\_  
[occupation]

**MAKE OATH AND SAY THAT:**

1. I am the mortgagor (or the agent acting under power of attorney in my favour registered in the Land Titles Office on \_\_\_\_\_, \_\_\_\_\_ as instrument number \_\_\_\_\_ granted by the mortgagor) named in the within instrument.

2. \*I am (or My principal is) not married.

OR

\* Delete the options that do not apply

\* Neither myself nor my spouse (or my principal nor his spouse) have resided on the within mentioned land at any time since our (or their) marriage.

OR

\* Delete the options that do not apply

\* I am (or My principal is) married to \_\_\_\_\_ being the person who executed the release of dower rights registered in the Land Titles Office on \_\_\_\_\_, \_\_\_\_\_ as instrument number \_\_\_\_\_.

OR

\* Delete the options that do not apply

\* A judgment for damages was obtained against me by my spouse (or my principal by his spouse) and registered in the Land Titles Office on \_\_\_\_\_, \_\_\_\_\_ as instrument number \_\_\_\_\_.

SWORN BEFORE ME at \_\_\_\_\_ )  
Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.)

\_\_\_\_\_  
[Signature of Mortgagor (or agent)]

\_\_\_\_\_) )  
A Commissioner for Oaths )  
in and for the Province of Alberta )



## **Land Titles Act (Alberta)**

### **Set of Standard Form Mortgage Terms – Residential (Fixed Rate)**

The following set of standard form mortgage terms are deemed to be included in every mortgage of land in which this set of standard form mortgage terms is referred to by its filing number, as referred to in Section 113(4) of the *Land Titles Act (Alberta)*.

This document sets out important terms which apply to the Mortgage and are actually part of the Mortgage. We recommend you read this carefully and you may want to discuss the terms of the Mortgage with a lawyer.

This document describes the financial institution (mortgagee), who is lending you the money, as “we”. The definition of “we” also includes “us” and “our”.

This document describes the person who is being loaned money and giving the Mortgage on your Property as “you”. The definition of “you” also includes “your”. We are lending you money and we protect our interests through the Mortgage on your Property, which gives us certain rights, if you do not do what you promise to do. The specific terms that apply to your Mortgage (for example, the interest rate) are set out in a document that you sign and is registered. We call this the Registered Mortgage.

Generally, when a word is capitalized, the word is defined in Section 1. You should read Section 1 carefully.

#### **SECTION 1 – TERMS YOU NEED TO KNOW**

The following are used with particular meanings in this set of standard form mortgage terms and in the Registered Mortgage:

- (1) **Balance Due Date** means the date shown in the Registered Mortgage as the date when the Mortgage matures. On this date the Mortgage must be repaid or renewed.

- (2) **Closed Mortgage** means a Mortgage which limits how you can prepay the Outstanding Amount and fixes what Prepayment charges you will be charged, if you do prepay.
- (3) **CMHC** means Canada Mortgage and Housing Corporation. It administers the *National Housing Act* and provides mortgage default insurance to lenders.
- (4) **Convertible Mortgage** means a Closed Mortgage that you can change to another Closed Mortgage with a term of one year or longer at any time.
- (5) **Default** has the meaning shown in section 22.1 below and includes you not keeping a Promise under the Mortgage.
- (6) **First Payment Date** means the date for first payment shown in the Registered Mortgage.
- (7) **HomeProtector® Insurance Premium** means an insurance premium paid by you for optional group creditor life or life and disability insurance. This insurance will pay off the Outstanding Amount if you die or pay the regular mortgage payments (excluding property tax instalment) for a period of time if you become disabled. It is collected as part of your payment. It is different from property insurance which protects your home and its contents. *HomeProtector* insurance is underwritten by The Canada Life Assurance Company and is subject to terms, conditions, exclusions and eligibility restrictions. Please see the *HomeProtector* booklet for full details.
- (8) **Interest Adjustment Date** means the date shown in the Registered Mortgage as the date to which we calculate accrued interest on money advanced to you. This date will be before your first regular payment period. This is the date the Term starts.
- (9) **Interest Only Mortgage** means a Mortgage in which your payments are made up of interest only, paid regularly during the Term. Each month you pay accrued interest only. The payments do not reduce the amount we loaned to you (Principal Amount).
- (10) **Interest Rate** means the interest rate that applies to the Mortgage. The Interest Rate and how it is calculated is shown in the Registered Mortgage. It is an annual rate and will not vary over the Term.
- (11) **Last Payment Date** means the date for the last payment shown in the Registered Mortgage.
- (12) **Mortgage** means the legal agreement between you and us, which gives us rights over your Property. 'Mortgage' also includes any other documents attached to it as schedules, and any document renewing, amending or extending the Mortgage. It includes this document and the Registered Mortgage.
- (13) **Mortgage Default Insurer** means CMHC or any other institution that provides mortgage default insurance to lenders.

- (14) **National Housing Act** means the *National Housing Act* (Canada), a federal law that promotes the construction of new houses and the repair and modernization of existing houses. CMHC provides mortgage default insurance under this law.
- (15) **Open Mortgage** means a mortgage that lets you pay any amount you want without you having to pay a Prepayment charge. The minimum Prepayment amount is \$500.
- (16) **Outstanding Amount** means the total amount remaining to be paid on the Mortgage at any time. It includes the portion of the Principal Amount that remains unpaid, interest, additional amounts advanced, and amounts we have paid because you have not kept a Promise.
- (17) **Posted Rate** means the annual interest rates set from time to time by Royal Bank of Canada applicable to fixed rate residential mortgage loans in Canada. These rates may vary depending upon the term and Prepayment options applicable to the mortgage loan.
- (18) **Prepayment** means repaying part of the Principal Amount ahead of schedule. Depending on the type of Mortgage you have and the amount you are paying, you may have to pay a Prepayment charge when you make a Prepayment.
- (19) **Principal Amount** means the amount we originally loaned to you.
- (20) **Promises** means everything that you agree to do and all of the things you confirm and certify under the Mortgage.
- (21) **Property** means the land described in the Registered Mortgage, as well as any buildings constructed on the land and anything attached or fixed to the land or buildings and any rights associated with the land. It also includes any future building, addition, attachments or fixtures (fixtures includes things such as furnaces) to the land or buildings and, in the case of a leasehold title, the lease, except for the last day of the term of the lease, and any other interest, right, option or benefit set out in the lease.
- (22) **Property Taxes** means all present and future property taxes, rates, assessments, local improvement charges, administration fees and other similar amounts charged by local government on your Property. It includes interest and penalties charged by a local government.
- (23) **Registered Mortgage** means the Form 15 Mortgage or similar form that you sign to grant the Mortgage.
- (24) **Term** means the period of time from the Interest Adjustment Date to the Balance Due Date, which is shown on the Registered Mortgage.
- (25) **We** means the mortgagee under the Mortgage. The mortgagee is named on the Registered Mortgage.

(26) *You* means each person who signed or is bound by the Mortgage and is the person or persons who has/have to pay everything owing under the Mortgage. If you die or become incapacitated, your estate must pay us and keep your other Promises.

## **SECTION 2 – HOW THE MORTGAGE WORKS**

(1) In return for our agreeing to lend the Principal Amount or as much of the Principal Amount as we advance to you, you grant a mortgage and charge of your estate and interest in your Property to us. This means the Mortgage is a charge on your Property and you have mortgaged your entire interest in your Property to us. All amounts relating to the Mortgage that you owe to us are secured by the Mortgage.

(2) You can stay in possession of your Property, as long as you keep your Promises.

(3) Our interest in your Property ends when you have repaid the Outstanding Amount and you have kept all of your other Promises, and at that time, you can have a discharge of the Mortgage. Section 23 tells you what you must do to get a discharge.

(4) In return for our agreeing to lend the Principal Amount to you, you make certain Promises which you must keep. Not keeping your Promises includes breaking or not keeping your Promises in any way.

(5) You promise to sign any additional documents that we ask for and do everything else we ask you to do to protect our interest in your Property.

## **SECTION 3 – INTEREST**

### **3.1 Interest Rate**

(1) The Interest Rate you promise to pay is set out in the Registered Mortgage. The Interest Rate is an annual rate that is calculated semi-annually, not in advance. Using a semi-annual calculation of interest the first semi-annual calculation of interest after the Interest Adjustment Date will be for the six-month period starting with the Interest Adjustment Date. That calculation will be made six months after the Interest Adjustment Date. Semi-annual calculations of interest will be made every six months after that.

(2) We calculate interest for each payment period using an interest rate factor that is equivalent to the Interest Rate. Interest is payable at the payment frequency set out in the Registered Mortgage unless you select another payment frequency.

(3) You promise to pay interest on the Outstanding Amount at the Interest Rate both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount has been paid in full.

## 3.2 Compound Interest

If you do not pay any interest when due under the Mortgage, we will add the overdue interest to the Outstanding Amount and charge you interest on the combined amount until it is paid. This is called compound interest. We calculate compound interest at the Interest Rate. You promise to pay it at the same frequency as your regular payments, both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount is paid in full.

We will also charge you interest on compound interest at the Interest Rate both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount is paid in full. All overdue interest and compound interest is part of the Outstanding Amount. You promise to pay this interest immediately when we ask you to pay it.

## SECTION 4 – YOUR REGULAR PAYMENTS

- (1) You promise to repay the Principal Amount and interest to us on the payment dates set in the Registered Mortgage or another payment frequency that you select starting with the First Payment Date until and including the Last Payment Date. Your payments will be for the amounts set out in the Registered Mortgage. You promise to pay the Outstanding Amount on the Balance Due Date. We may, if you ask us to, agree to change your payment date or payment frequency.
- (2) If you are not in Default, we apply your payment as follows:
  - (a) to pay your *HomeProtector* Insurance Premium, including any applicable sales taxes or similar taxes, if you have it;
  - (b) to pay Property Taxes, if we pay them on your behalf;
  - (c) to pay interest due and payable; and
  - (d) to reduce the Principal Amount, unless you have an Interest Only Mortgage in which case your payments never reduce the Principal Amount.
- (3) If you are in Default, we may apply your payment, or any other money we receive from you, as we choose.
- (4) All payments must be in Canadian dollars.
- (5) If we advance all or part of the Principal Amount before the Interest Adjustment Date, you promise to pay accrued interest on the money we advance at the Interest Rate from the day we lend you the money until the Interest Adjustment Date. You promise to pay this interest on the first day of each month until the Interest Adjustment Date. If your Interest Adjustment Date is not the first day of a month, you also promise to pay us interest from the first of the month until the Interest Adjustment Date.

## **SECTION 5 – BANK ACCOUNT FOR PAYMENTS**

- (1) You promise to have a deposit account at a Canadian financial institution and authorize us to withdraw from that account automatically for each payment when it is due.
- (2) You will keep enough funds in the account to make each payment. You will not cancel your authorization to withdraw, or close the account without our consent.
- (3) If your financial institution refuses the pre-authorized withdrawal, we will charge you for the fee your financial institution charges us. This may include situations where you do not have enough money in your account, or you closed your account.

## **SECTION 6 – PREPAYING A MORTGAGE BEFORE THE MATURITY DATE**

### **6.1 Restriction**

None of the following Prepayment options apply if you are in Default.

### **6.2 Prepaying an Open Mortgage**

If you have an Open Mortgage you may prepay \$500 or more of the Outstanding Amount at any time without a Prepayment charge. If you have an Open Mortgage and you want to prepay it, you must pay back a portion of any cash back amount you received from us, as called for under Section 6.7.

### **6.3 Annual Prepayment Option**

- (1) If the Mortgage is a Closed Mortgage you may, once in each twelve month period starting on the Interest Adjustment Date or the anniversary of that date, pay up to 10% of the Principal Amount.
- (2) Subject to Section 6.3(4), you can exercise this option without notice and without paying any Prepayment charge.
- (3) If you do not exercise this option in any twelve-month period, you cannot carry it over to any future twelve-month period.
- (4) If you prepay more than 10% of the Principal Amount, you promise to pay a Prepayment charge on the **entire amount** of the Prepayment.

### **6.4 Increasing Payments Option**

- (1) You may once in each twelve-month period, starting on the Interest Adjustment Date, or the anniversary of that date, increase your payment by an amount that is not more than 10% of



the principal and interest portion of what is or would be your monthly payment amount. This option does not apply if you have an Interest Only Mortgage.

(2) If you do not exercise this option in any twelve-month period, you cannot carry it over to any future twelve-month period.

**6.5 Prepaying More Than 10% of a Closed Mortgage**

If you have a Closed Mortgage, you may pay off more than 10% of the Principal Amount, but you promise to pay a Prepayment charge on the **entire amount** of the Prepayment.

**(1) Prepaying your Mortgage**

- (a) You may at any time during the Term prepay all or part of the Outstanding Amount, but if you prepay more than 10% of the Principal Amount, you promise to pay a Prepayment charge calculated on the amount you prepay.
- (b) The Prepayment charge will be the greater of:
  - (i) Three months interest on the amount prepaid, at the Interest Rate; or
  - (ii) Interest for the remainder of the Term on the amount prepaid calculated using the “interest rate differential”. The interest rate differential is the difference between the Interest Rate and our Posted Rate on the prepayment date for a mortgage with a term similar to the time remaining in the Term and having the same prepayment options. If you received a rate reduction below our Posted Rate when you gave us the Mortgage, we will deduct the amount of this rate reduction from the Posted Rate before calculating the difference between the interest rates.

The chart below indicates how we calculate a term similar to the time remaining in the Term.

<u>TERM REMAINING</u>	<u>USE FOLLOWING RATES</u>
0 months – 8 months	6 month rate
8 months and 1 day – 17 months	1 year rate
17 months and 1 day – 29 months	2 year rate
29 months and 1 day – 41 months	3 year rate
41 months and 1 day – 53 months	4 year rate

53 months and 1 day – 71 months	5 year rate
71 months and 1 day – 95 months	7 year rate
95 months and 1 day – 143 months	10 year rate
143 months and 1 day and over	25 year rate

(2) You must also pay back a portion of any cash back amount you received, as called for in Section 6.7, if you prepay all of the Outstanding Amount.

(3) If you renew or extend the Mortgage before the end of the Term, or if you amend the Interest Rate before the end of the Term, you promise to pay a Prepayment charge, calculated in the same way as in Section 6.5(1) (b) above based on the Outstanding Amount on the date of the renewal, amendment or extension.

**6.6 Prepaying a Mortgage With a Term of More than Five Years**

If the Term is more than five years and you are an individual, you may prepay the entire Outstanding Amount at any time after the end of the fifth year of the Term. If you do, your Prepayment charge will be three months interest calculated on the Outstanding Amount at the Interest Rate. You agree that the Interest Adjustment Date will be deemed to be the date of the Mortgage for this purpose.

**6.7 Incentive Program**

(1) We may, at our option, offer you an incentive to give the Mortgage to us. This incentive may be cash, a gift certificate or other item having a value (for example a voucher that you may redeem at a retail store). We will tell you the value of the incentive. We will call this a “cash back amount”. If you repay the Outstanding Amount before the end of the Term or if you change the Term of the Mortgage, you promise to repay a portion of the cash back amount to us. You must pay this proportionate amount in addition to any Prepayment charge. You must pay it, even if you have an Open Mortgage.

(2) Here is how we calculate the amount you must repay:

your cash back amount divided by the number of months in the Term, times the number of months remaining in the Term (including the month in which the repayment is made).

Here is an example:

If you received a \$1,000 cash back amount for a 5 year (60 months) mortgage and repay the mortgage in full after 3 years (36 months), the calculation of the amount would be as follows:

$$\$1,000 \div 60 \text{ months} \times 24 \text{ months remaining} = \$400$$

## 6.8 Double-Up® Option

You may increase your regular payment by an amount up to 100% of the principal and interest portions of your regular payment (but not less than \$100) on any payment date. This is called a “*Double-Up*”. If you have a non-monthly payment frequency, the total amount of your *Double-Up* payments in any one calendar month cannot be more than the amount of principal and interest portions of what would be your monthly payment. If you do not *Double-Up*, you may not save this option to be used on a later payment date. You cannot *Double-Up* if you have an Interest Only Mortgage.

Here is an example of how to calculate the maximum permitted monthly *Double-Up* payments for a mortgage with non-monthly payments.

Weekly payments	=	principal and interest portions of payment x 52/12
Bi-Weekly	=	principal and interest portions of payment x 26/12
Semi-monthly	=	principal and interest portions of payment x 2

## 6.9 General Provisions On Prepayment

- (1) If you use any Prepayment option, the schedule of payment dates will not change. Your payment amounts will also not change, unless you exercised an option to increase the payment amount.
- (2) You promise to continue to make payments until the Outstanding Amount is paid in full.

## SECTION 7 – DELAYING A PAYMENT

If you meet the conditions set out in this Section, you can Skip-A-Payment®, which means not making a regular payment on its payment date.

### 7.1 Skip-A-Payment Option

- (1) This Section applies only if:
  - (a) the Term is less than 10 years;
  - (b) the Mortgage is not an Interest Only Mortgage;
  - (c) the Mortgage is not insured by CMHC (see Section 7.2 for the *Skip-A-Payment* rules for CMHC insured mortgages); and
  - (d) you are not in Default.

- (2) *Skip-A-Payment* means not making a payment under the following conditions:
- (a) Once in every 12 month period during the Term, (starting on the Interest Adjustment Date or the anniversary date of the Interest Adjustment Date) you may *Skip-A-Payment* if the interest portion of the skipped payment, plus the Outstanding Amount, is not more than the Principal Amount.
  - (b) You may *Skip-A-Payment* up to the amount of any *Double-Up* payments made by you. The total amount of all skipped payments must not be more than the total of your *Double-Up* payments.
  - (c) If you *Skip-A-Payment* you must still pay the portion of your payment that covers your Property Taxes and *HomeProtector* Insurance Premium.
  - (d) The interest portion of any skipped payment is added to the Outstanding Amount and interest is charged on that amount at the Interest Rate.
- (3) You may repay any skipped payment at any time during the Term. We will not charge you any costs for repaying a skipped payment.

## **7.2 *Skip-A-Payment* Option For CMHC-Insured Mortgages**

- (1) This part applies only if:
- (a) the Term is less than 10 years;
  - (b) the Mortgage is not an Interest Only Mortgage;
  - (c) the Mortgage is insured by CMHC; and
  - (d) you are not in Default.
- (2) If the “loan to value ratio” is equal to or less than 90%, you may *Skip-A-Payment* as long as the Outstanding Amount plus the interest part of the skipped payment is not more than the Principal Amount.
- (a) By way of explanation, “loan to value ratio” means the ratio of the Principal Amount to the lesser of:
    - (i) the price paid to buy your Property; and
    - (ii) the value of your Property, as we determine, on the date of the Mortgage.
  - (b) If the Mortgage is insured under CMHC’s “95% Insurance” program or any related or successor program and the loan to value ratio is more than 90%, you may *Skip-A-Payment* only if, after having skipped the payment, the total of the

Outstanding Amount plus the interest part of the skipped payment is equal to or less than 90% of the "loan to value ratio". To see whether you fit these conditions, you will need to know what the Outstanding Amount is, as a result of your repayments of principal. For example, Helen and Henry have a mortgage for a 5 year term, at a 6% interest rate, with a 20 year amortization period. Their house cost \$200,000 and they borrowed \$190,000 under the mortgage. Helen and Henry want to *Skip-A-Payment* in their first year as homeowners and in the fourth year. Can they do so? Follow the calculations:

	Year 1	Year 4
Principal amount	\$190,000	\$190,000
Value of property	\$200,000	\$200,000
Principal amount repaid	\$5,130	\$22,400
Outstanding amount	\$184,870	\$167,580
Interest part of skipped payment	\$1,115	\$1,105
Total outstanding amount plus interest part of skipped payment	\$185,985	\$168,685
<b>Ratio of total outstanding amount plus interest part of skipped payment to principal amount</b>	<b>98%</b>	<b>89%</b>
	<b>So they cannot <i>Skip-A-Payment</i> because of a ratio of more than 90%</b>	<b>So they can <i>Skip-A-Payment</i> because of a ratio of less than 90%</b>

- (c) You may not *Skip-A-Payment* if, as a result of the skipped payment, the original amortization period of the Mortgage would be extended or you have skipped the equivalent of four monthly payments at any time during the Term and you have not yet repaid them.
- (d) When you *Skip-A-Payment* under this Part, you must still pay the portion of your payment that covers your Property Taxes and *HomeProtector* Insurance Premium. The interest portion of any skipped payment is added to the Outstanding Amount and interest is charged on that amount at the Interest Rate.
- (e) You may repay any skipped payment at any time during the Term. We will not charge you any costs for repaying a skipped payment.

### **7.3 Convertible Mortgage**

(1) If you have a Convertible Mortgage, you may extend the Term without paying a Prepayment charge or repaying any incentive, as long as you have kept your Promises and you convert to one of the two terms shown below. The conversion will take place on the date we select.

(2) The terms that you may convert to are:

- (a) a fixed rate Closed Mortgage having a term of 1 year or longer at the Posted Rate for the term you choose; or
- (b) a RateCapper® mortgage at the interest rate we are then offering.

### **SECTION 8 – MOVING THE MORTGAGE**

(1) If you sell your Property, and you are not in Default, you can either move the Mortgage to your new property or the person who buys your Property can apply to assume the Mortgage by doing what is required by Section 9. You cannot do both – you must decide.

(2) You can only exercise the option to move the Mortgage to your new property within 90 days after the sale of your Property.

(3) To move the Mortgage to your new property, you must:

- (a) meet our mortgage approval criteria;
- (b) sign a new mortgage; and
- (c) pay any processing and administration fees, legal costs and property valuation fees, and any other expenses we incur.

(4) If the new principal amount is the same or less than the Outstanding Amount when you sell your Property, the Interest Rate will apply to your new mortgage. The maturity date for the new mortgage will be the same as the Balance Due Date.

(5) If your new principal amount is less than the Outstanding Amount when you sell your Property, you must pay us:

- (a) the difference between your new principal amount and the Outstanding Amount; and
- (b) the Prepayment charge that applies to the difference.

(6) If your new principal amount is more than the Outstanding Amount, the interest rate for your new mortgage will be a rate that blends the Interest Rate and the interest rate we offer you

for a new mortgage with a term similar to the remaining Term and having the same Prepayment options as the Mortgage. We will tell you the new blended rate.

The following is an example of how we would blend the rates if you move the Mortgage to your new property.

**Example of Blended Rate Calculation**

**(a) Details of Existing Mortgage**

outstanding amount	\$200,000
interest rate	7%
months to maturity	27 months

**(b) New Mortgage**

additional funds requested	\$100,000
principal amount of new mortgage	\$300,000
term remaining	27 months
similar term (refer to chart in Section 6.5(1)(b))	2 years
current Posted Rate for a 2 year term	5.50%
add/subtract premium/discount, on new funds, if applicable	-.500%

**Blended Rate Calculation:**

(a)	\$200,000 x 7%	=	14,000
(b)	\$100,000 x 5.0%	=	<u>5,000</u>
	total of (a) & (b)		19,000
	divided by amount of new mortgage		$\frac{\$19,000 \times 100}{300,000}$
	Equals the new blended interest rate		= 6.333%

(7) You must pay the applicable Prepayment charge and any cash back amounts owing under Section 6.7 when you sell your Property, but if you give us a first mortgage on your new property within ninety days of the sale, we will refund all or part of the Prepayment charge (depending on the amount of the new mortgage and if you meet the conditions above).

(8) If you wish to move the Mortgage and the Mortgage has mortgage default insurance, ask us to see if the mortgage default insurance can also be moved. You should also ask if you can move your *HomeProtector* insurance.

### **SECTION 9 – DUE ON SALE, ASSUMPTION OF MORTGAGE AND RELEASE OF OBLIGATIONS**

(1) You must still keep your Promises even if you sell your Property.

(2) If you either agree to, or actually do, transfer your interest in your Property, either directly or indirectly, to a new owner without our approval, at our option the Outstanding Amount will immediately become due and payable in full and you will be required to pay the applicable Prepayment charge on the Outstanding Amount.

(3) If we accept payment from the new owner even though we did not approve the new owner, it will not mean that we have approved the transfer or that we have given up our right to require you to pay the Outstanding Amount and any Prepayment charge.

(4) You must give us any information we ask for, to allow us to decide whether or not we want to give our approval. We will review that information and will tell you what we decide.

(5) We may set certain requirements that you and the new owner must meet as a condition of our approval. Our conditions will include the new owner signing our form of assumption agreement.

(6) Even if you sell the Property or transfer your interests, or we make any new agreement with the new owner with respect to any of the terms and conditions of the Mortgage, or if we accept payments from the new owner, that will not affect our rights against you or any guarantor, unless we decide, at our discretion that we will release you from your Promises. If we do not release you, you must still keep your Promises. You agree that we can renew or change the terms of the Mortgage in an agreement with the new owner, and that you will still have to keep your Promises, even though the Mortgage has been renewed or its terms have changed without your knowledge or consent.

(7) If the Mortgage is a high ratio mortgage as defined by a regulation to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act* (Alberta) apply, you and anyone who expressly or impliedly assumes the Mortgage from you could be sued if you or that person is in Default. You could also be sued, if you are a corporation or if you are an individual, who assumed a mortgage given by a corporation and you do not reside on the Property, and you are in Default.



## **SECTION 10 - RENEWAL OR AMENDING AGREEMENT**

- (1) If we send you a mortgage renewal agreement and you do not sign and return it to us before the date required, the Mortgage will at our option be renewed on the terms we indicate in the mortgage renewal agreement.
- (2) We may agree with you to change any of the terms of the Mortgage. We call this amending the Mortgage. If we do, you will still have to keep all your Promises.
- (3) We do not have to register any renewal, amendment or extension to the Mortgage. The Mortgage, as renewed, amended or extended, will continue to have the same priority. For the purposes of Section 10 of the *Interest Act* (Canada), the date of the Mortgage will be the date the mortgage renewal, amendment or extension takes effect.
- (4) You do not have a right to renew, amend or extend the Mortgage. Renewal, amendment or extension of the Mortgage is at our discretion.

## **SECTION 11 – ADDITIONAL AMOUNTS**

- (1) If you have paid part of the Principal Amount, we may if we want to and if you meet our requirements, allow you to borrow additional amounts up to a maximum of the difference between the Outstanding Amount and the Principal Amount. If we allow you to borrow any additional amounts, all amounts borrowed will be secured by the Mortgage, in the same priority, and will bear interest at the interest rate that applies to the Mortgage at that time.
- (2) If we let you borrow additional amounts, whenever this document refers to the Outstanding Amount, it will refer to all amounts owing, including all additional amounts.
- (3) If the Property is located in a national park, you may not borrow any additional amounts.

## **SECTION 12 – WE DO NOT HAVE TO MAKE ADVANCES**

- (1) We do not have to advance or re-advance all or any part of the Principal Amount to you, if we decide not to, even though:
  - (a) you have signed the Mortgage;
  - (b) the Mortgage is registered in the land registry office; or
  - (c) we have advanced part of the Principal Amount.
- (2) We may deduct from any advance:
  - (a) any Property Taxes that are due;

- (b) any interest that is due and payable on the date of the advance; and
- (c) any mortgage default insurance premium and application fees.

## **SECTION 13 – YOUR PROMISES**

### **13.1 Your Property Tax Promises**

- (1) You promise to pay to us, if we require you to do so:
  - (i) on each payment date the amount of money that we estimate will be enough to permit us to pay Property Taxes when they are due; and
  - (ii) the balance owing in addition to the money you have already paid towards Property Taxes so that we can pay the Property Taxes in full.
- (2) You promise to pay to us on each payment date one-twelfth of the amount we estimate will be required to provide enough money to pay all Property Taxes for the calendar year. We may re-estimate this amount from time to time. You agree to pay any additional amounts, when we ask you to, that are required because of this re-estimate.
- (3) If you do not keep your Promises, any payments you make for Property Taxes may, at our option, be applied to pay the Outstanding Amount.
- (4) As long as we require you to make Property Tax payments, and as long as you have kept your Promises, we will forward the amount required to pay Property Taxes to the local government as they fall due or at any time we choose. If the amount in the tax account is not enough to pay Property Taxes, we may advance amounts to the tax account to cover the shortfall or add the amount of the shortfall in the tax account to the Outstanding Amount. If you are sent a Property Tax notice, you must send it to us. If you do not send the notice to us and extra charges are imposed for Property Taxes, you must pay those charges. We are not responsible for any extra charges imposed because we did not receive a notice.
- (5) We will charge you interest on any shortfall in the tax account at the Interest Rate. If you have a surplus in the tax account, we will pay you interest on that surplus at a rate that we choose.
- (6) If at any time the Property Taxes we have paid exceed the amount you have paid us for Property Taxes, or we have to pay any fees because we have paid the Property Taxes on your behalf, we may demand that you immediately pay the shortfall to us. If you do not pay, we will add the shortfall to the Outstanding Amount.
- (7) We may decide not to require you to make payments of Property Taxes through us. In that case, you agree to pay all Property Taxes on your Property as they fall due and will give us acceptable evidence, when we ask, that you have paid them.

## **13.2 Your Other Promises**

(1) You also promise:

To pay, on demand and as permitted by law, all of our costs and expenses, on a full indemnification basis, including all legal fees and disbursements on a solicitor and own client basis, to

- (i) Prepare the Registered Mortgage, including all necessary steps to advance and secure the Principal Amount, investigate title, pay a title insurance premium, register the Mortgage and to report to us;
- (ii) Collect the Outstanding Amount;
- (iii) Enforce the terms of the Mortgage, including efforts to make you keep your Promises;
- (iv) Do anything which you promised to do but did not do;
- (v) Defend the validity of the Mortgage against anyone who contests it; and
- (vi) Prepare and give you a discharge of the Mortgage when you have paid all amounts owing under the Mortgage, as required by the Mortgage.

(2) If any taxes (other than our income taxes) are imposed on your payments of the Principal Amount, interest and any other amount secured by this Mortgage and we are required to pay these taxes, you promise to reimburse us on our demand, including any interest at the Interest Rate from the date we paid these taxes.

(3) You promise to comply with all laws and orders applicable to the Property, including those concerning zoning, land-use and environmental protection.

(4) You promise to use and occupy the Property primarily for residential purposes.

(5) You agree that we may add any expenses and costs that we pay to the Outstanding Amount if you do not pay them.

## **13.3 No Deductions**

You promise that all payments that you make to us or that we ask you to make will be made in full without any set-off or counterclaim and without any deductions or withholdings whatsoever. You promise that you will not cancel, offset or reduce any payments that you make.

## **SECTION 14 – YOU CONFIRM**

In return for our agreeing to lend the Principal Amount to you, you promise and confirm that:

- (a) You own your Property, you have the right to give the Mortgage and you mortgage your entire interest to us.
- (b) The Mortgage is given to secure repayment of the Outstanding Amount and to ensure that you keep all your Promises.
- (c) You will pay all of the Outstanding Amount to us and keep all of your other Promises, as provided in the Mortgage.
- (d) There are no limitations or restrictions on your title to your Property, except those disclosed to us in writing and that we approved.
- (e) Your title to your Property is subject only to:
  - (i) Those interests filed in the land registry office at the time you give us the Mortgage; and
  - (ii) Any unregistered interests we have approved.
- (f) As far as you know, no part of your Property or of any adjoining land is, has ever been or will in the future be used to manufacture, store or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders. No part of your Property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of, or adversely affect the sale of, your Property.
- (g) You will, at your own expense, sign any documents and do anything we ask to ensure that all your interest in your Property has been mortgaged to us and that the Outstanding Amount is adequately secured by your Property.

## **SECTION 15 – OUR RIGHTS**

### **15.1 Approval and Consent**

Whenever this Mortgage talks about “approval” or a “consent”, we mean approval or consent in writing, given by us before you act.

## **15.2 Money we Spend**

We may spend money to do anything you promised to do, but did not do. You must continue to keep your Promises, even if we have spent money to do something you promised to do. Any money we spend because you did not keep a Promise will be added to the Outstanding Amount, will be payable on demand, will bear interest at the Interest Rate from the date that we spend the money until fully paid and will be secured by the Mortgage with the same priority. It shall be immediately due and payable to us.

## **15.3 Additional Interests in Property**

By the Mortgage you grant and mortgage any additional or greater interest in your Property that you may later acquire.

## **15.4 Other Security**

If you have mortgaged, charged or given us a security interest in anything else to better secure payment of the Outstanding Amount (“**Other Security**”), we may take legal proceedings under any of the Other Security in any order that we choose and at the same time as we are enforcing our rights under the Mortgage. If we get a judgment from the court, or recover any money under the Other Security, this will not affect our rights to enforce our rights under the Mortgage.

## **15.5 Consolidation**

Our right of consolidation applies to the Mortgage and to any other mortgages given by you to us. This means that if you have mortgaged other property to us you will not have the right, after Default, to pay off the Mortgage or any mortgage of other property unless you pay us the money owed by you under both the Mortgage and the Other Security.

## **SECTION 16 – PAYING OFF CLAIMS OR LIENS**

(1) You promise not to allow any builders’ lien to remain undischarged on the title to your Property for more than 30 days, unless you:

- (a) diligently dispute the validity of the builders’ lien by taking all necessary legal steps to do so;
- (b) give us reasonable security by depositing money, bonds or other types of security acceptable to us (the “Security”) to pay the builders’ lien and associated legal costs in full, including our legal costs on a full indemnification basis; and
- (c) authorize us to use the Security to pay the builders’ lien and any of our legal costs on a full indemnification basis and those of the lien claimant in full, if the builders’ lien is found to be valid.

(2) We can pay off the claims of other creditors, who have an interest in your Property. These may include builders' liens and other liens, government claims or encumbrances. If we pay off a claim you promise to pay the amount to us when we ask. Any amount we pay to the other creditor that you do not repay will be added to the Outstanding Amount. We can, if we think it is necessary, pay off any mortgages, charges, interests, claims or liens that have priority over the Mortgage, including realty taxes, utility charges, builders' liens, or any amounts payable to a condominium corporation.

(3) Once we have paid off any such claims we are entitled to all the rights, equities and securities of the creditor. We can retain any discharge, if we need to.

(4) You promise to pay any money which, if not paid, would result in a default under any mortgage or claim that legally ranks ahead of the Mortgage or that may result in the sale of your Property if not paid.

(5) You promise to pay and cause to be discharged any other mortgages, charges, liens, security interests, claims or other interests that we are not willing to have remain on your Property.

#### **SECTION 17 – PROPERTY INSPECTIONS**

(1) We or our agents may at any reasonable time inspect your Property, including the buildings.

(2) If the Mortgage has mortgage default insurance, the Mortgage Default Insurer and its agents can also inspect your Property.

(3) Inspections may include environmental testing, site assessments, investigations and studies.

(4) You promise to pay for the costs of the inspection including any tests or studies.

(5) If you do not pay our costs, we may add the costs to the Outstanding Amount.

(6) If we, our agents, the Mortgage Default Insurer or its agents do conduct an inspection, neither we nor they will be considered to be in possession or control of, or managing, your Property.

#### **SECTION 18 – ADVANCES OF MONEY FOR CONSTRUCTION MORTGAGES**

(1) If the money we loaned is to be used to pay for any construction, alteration or addition on your Property, we may make advances of the Principal Amount to you based on the progress of construction.

(2) We will decide whether or not any advances will be made, the amount of the advances and when they will be made.

(3) Subject to Section 12, we may make advances to you based on how much of the construction, alteration or addition has been completed and the amount of money you need to complete.

(4) We may retain funds from any advance until we are completely satisfied that the holdback provisions of the *Builders' Lien Act* (Alberta) have been complied with.

(5) If this Mortgage is a construction mortgage, we may require that accrued interest on progress advances from the date of these advances be paid in monthly instalments starting on the first day of the next month after the first advance, and on the first day of each following month. The balance of the interest must be paid on the Interest Adjustment Date. Interest will be payable at the Interest Rate and calculated daily. We may, if we want to, retain accrued interest out of the proceeds of each partial advance of the Principal Amount. If the Principal Amount is not advanced in full on the Interest Adjustment Date, the Interest Adjustment Date will change to the date of the final advance. This means the Last Payment Date and Balance Due Date will also change. If the final advance is not made within 12 months of the date of your application for the Mortgage, we will automatically set your Interest Adjustment Date to a date that is approximately 12 months from the date of your application for the Mortgage and the Term will start on that date.

## **SECTION 19 – SAFEGUARDING THE VALUE OF YOUR PROPERTY**

You promise:

(1) To keep all of the buildings and improvements on your Property in a good condition and state of repair and to repair them as we require. If you do not make the repairs when we ask, we can make whatever repairs we think are needed. You must immediately pay the costs of any repairs we make and of any inspections. If you do not pay those costs, we will add them to the Outstanding Amount.

(2) You will not tear down any building or structure, or part of any building or structure, on your Property without our approval.

(3) You will not do, or let anyone else do, anything that may reduce the value of your Property.

(4) You will not construct, alter or add to any buildings or improvements on your Property without our consent, and if the Mortgage is insured by a Mortgage Default Insurer, without its consent. Any construction or renovation must meet all applicable construction standards, building codes and municipal or governmental requirements. You must build or renovate using only new materials and according to the plans and specifications we have approved and if the Mortgage is insured by a Mortgage Default Insurer, it must approve the plans and specifications.

(5) You will provide us, and any Mortgage Default Insurer, with any information or material, such as plans, specifications, building permits, insurance and like information, as required to decide whether to give approval or not.

(6) We and any Mortgage Default Insurer, may set certain requirements which you must comply with as a condition of giving approval.

(7) Once we and any Mortgage Default Insurer have given approval you will only then demolish, make such alterations, additions or improvements in accordance with the approved plans and specifications and all applicable construction standards, building codes and municipal or other government requirements and you will complete the work as quickly as possible.

(8) You authorize us and, if your Mortgage is insured, the Mortgage Default Insurer, to enter your Property at all reasonable times to inspect and repair, but we will not be considered to be in possession or control of the Property by exercising this right.

#### **SECTION 20 – WITHHOLDING TAXES**

(1) If you are not a Canadian resident for income tax purposes, the country where or in which you are a resident for income tax purposes may charge a withholding tax on the interest portion of your payment to us. We must receive interest payments free and clear of any withholding tax.

(2) You are responsible for paying any withholding tax. If you must pay withholding tax, you promise to remit the withholding tax to the tax authority of the country of which you are a tax resident when it is due. You promise to give to us the withholding tax receipt issued by the foreign tax authority as proof you paid the withholding tax.

If you do not pay the withholding tax and the foreign tax authority makes us pay it, you promise to pay the withholding tax to us when we ask for it. If you do not pay it to us, the amount will be added to the Outstanding Amount. In some circumstances, we may tell you that we will collect and remit the withholding tax on your behalf. If we tell you this, we will remit the withholding tax to the foreign tax authority from the interest we collect.

#### **SECTION 21 – INSURANCE**

(1) You promise to maintain adequate insurance on your Property until the Outstanding Amount has been repaid in full.

(2) You promise, if we ask, to give us certified copies of the insurance policy and evidence of its renewal not less than 15 days before the policy expires.

(3) The insurance must be with a licensed insurance company and must be for the full replacement value of your Property in Canadian dollars. The insurance policy must contain mortgage clauses approved by The Insurance Bureau of Canada. These clauses must provide



that loss proceeds are payable to us first, and that we have the first right to receive and to have a first lien on the loss proceeds. You must also assign your insurance policy to us.

(4) The insurance policy must protect against the following risks: fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke and falling objects.

(5) We may also require that other risks be covered, depending on the nature or location of the Property.

(6) The insurance policy must cover all buildings on your Property, whether before, during or after construction, and all fixtures attached to the buildings.

(7) We can, if we want to, place and pay for any insurance policy if you fail to do so. Any money which we pay for insurance will be immediately payable by you to us, and will be added to the Outstanding Amount if not paid.

(8) If any loss or damage occurs, you promise, at your expense, to immediately do everything necessary to allow us to receive the insurance proceeds.

(9) Production of the Mortgage will be sufficient authority for the insurance company to pay proceeds to us and the insurance company is directed to pay the proceeds to us.

(10) Insurance proceeds may, at our option, in whole or in part be:

- (i) used to repair or rebuild your Property;
- (ii) used to repay any part of the Outstanding Amount, whether due or not, and any Prepayment charge on the amount repaid; or
- (iii) paid to you.

## **SECTION 22 – ENFORCING OUR RIGHTS**

### **22.1 Defaults**

A Default occurs if

- (a) You do not make any payment when required;
- (b) You do not keep any of your other Promises;
- (c) You become insolvent or bankrupt;
- (d) Your Property is abandoned or is left unoccupied so your insurance policy could be cancelled; or

- (e) If a guarantor has guaranteed your Promises and the guarantee is invalid or if we no longer have any rights against the guarantor under the guarantee.

Not keeping your Promises includes breaking or not keeping any of your Promises in any way.

## **22.2 Consequences of a Default**

If a Default occurs we can, if we wish and as permitted by law, do any one or more of the following, in any order that we want:

- (a) ***Demand Payment*** – demand that you immediately pay the Outstanding Amount.
- (b) ***Sue You*** – take action in court to make you pay the Outstanding Amount or make you keep your Promises.
- (c) ***Lease Your Property*** – enter on and lease your Property. We may apply the net rent to reduce any part of the Outstanding Amount. If the net rent is not sufficient to pay the Outstanding Amount in full, you must pay us the difference.
- (d) ***Sell Your Property*** – we may enter your Property and, on giving the minimum notice to you, sell your Property or any part of your Property. We can sell by public auction or private sale, or partly by one way and partly by the other. You agree we may sell all or part of your Property for cash or on credit, or partly for cash and partly on credit, and otherwise on whatever terms we negotiate. If we sell on credit, we will not be required to reduce the Outstanding Amount, or pay any sale proceeds to you in any situation where you are entitled at law to receive them, until we receive payment of the Outstanding Amount. We may also buy your Property ourselves, or terminate or amend any agreement we enter into for the sale of your Property and resell if we decide to do so. After we sell your Property under power of sale, we will use the money we receive from the sale to pay:
  - (i) any amounts required to be paid to any party with a higher ranking interest in your Property than us;
  - (ii) any auctioneer’s fees or real estate agent’s commission;
  - (iii) all adjustments usually made on the sale of property;
  - (iv) all of our expenses and costs as described in Section 22.4;
  - (v) the Outstanding Amount;
  - (vi) any amounts owed to any party holding a mortgage, lien or other security on your Property with a lower priority to the Mortgage; and

(vii) any surplus to you.

We may make these payments in any order we want to.

After payment of the amounts referred to in paragraphs (i) to (iv) above, if the remaining money is not enough to pay all the Outstanding Amount, you promise to pay the remaining unpaid Outstanding Amount to us on written demand to do so.

- (e) **Court Sale** – apply to the court for an order for the sale of your Property to us or to a third party under the supervision of the court. If the net proceeds of sale are not enough to pay the Outstanding Amount, you promise to pay us the remaining unpaid Outstanding Amount to us on written demand to do-so. --
- (f) **Foreclose** – apply to the court to foreclose your interest in your Property, so that when the court makes its final order of foreclosure, all your interest in your Property will be absolutely transferred to, and belong to, us and you will no longer have any interest in your Property.
- (g) **Appoint a Receiver** –appoint a receiver (which includes a receiver and manager) to collect any income from your Property or take any other action with respect to your Property which we could take. We will appoint a receiver by written notice to you. The receiver will be your agent, not ours, and you alone will be responsible for all of the receiver’s acts or omissions. We will not be accountable for any money received by the receiver, except to the extent that we actually receive the money. The receiver may use every available remedy that we have under the Mortgage, including collecting income from your Property, taking possession of all or part of your Property, managing your Property, keeping your Property in good condition, finishing any buildings under construction on your Property, leasing your Property and selling your Property. From the income collected from your Property, or the proceeds of the sale of your Property, the receiver will pay:
  - (i) all rents, taxes, rates, insurance premiums and other expenses required to keep your Property in good condition;
  - (ii) all amounts necessary to repay any money it has borrowed for the purposes of your Property, including interest and any penalties on borrowed money;
  - (iii) all amounts required to keep any encumbrances ranking in priority to the Mortgage in good standing;
  - (iv) its own compensation as receiver;
  - (v) all costs with respect to any leasing or sale of your Property; and

- (vi) any part of or all of the Outstanding Amount, whether it is due or not, together with any Prepayment charge.
- (h) **Take Possession** –take possession of your Property, without any interference by you or anyone else living on your Property, and free from any other mortgages, charges, liens or easements, limitations or restrictions that we did not approve. If we take possession, we can ask you to leave your Property with all your belongings. If you do not leave, the court will order you to leave and if you refuse, the court will have you forcibly removed. Once in possession, we may do anything we consider necessary to:
  - (i) inspect, collect rents, manage or lease your Property;
  - (ii) complete the construction of any building on your Property;
  - (iii) repair any building on your Property; or
  - (iv) take any other action permitted under the Mortgage or by law.

If we take possession, we will not be responsible for maintaining and preserving your Property. We will only account to you for any money we actually receive in connection with the Mortgage or your Property.

- (i) **Other Action** – take any other necessary action to take, recover and keep possession of your Property.
- (j) **Non-interference** – if we take possession of your Property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your Property may be leased or sold, and you will not make any claim against any person to whom your Property may be leased or sold.
- (k) **Abandoned Personal Property** – any furniture, appliances, or household or personal belongings which remain on your Property for a period of 15 days after we or a receiver take possession of your Property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we choose.

### 22.3 Remedies after a Court Order

Even if we obtain judgment against you,

- (1) You must still keep all your Promises and we may continue to use the remedies described in Section 22.2 to make you keep your Promises; and
- (2) We will be entitled to continue to receive interest and compound interest at the Interest Rate on the Outstanding Amount until the judgment is paid in full.

## **22.4 Our Expenses**

- (1) You promise to pay us all reasonable expenses and costs we incur to enforce the Mortgage or exercise any of our rights under the Mortgage, when we ask you to.
- (2) Expenses and costs will include our costs of taking and keeping possession of your Property, any costs of removal, storage or disposal of goods, any costs of repairs or improvements to your Property, legal fees and disbursements on a solicitor and own client basis and all other costs and expenses we incur to protect our interests.
- (3) These expenses and costs will be added to the Outstanding Amount, will be payable on demand, will bear interest at the Interest Rate until fully paid and will be secured by the Mortgage, in the same priority.

## **22.5 Delay in Enforcing our Rights**

If you Default, and we do not exercise any of our rights or do not ask you to remedy the Default, we are not prevented from making you remedy the Default later or exercising any of our rights in connection with the Default later or any other Default.

## **SECTION 23 – DISCHARGE**

- (1) Full Discharge – We will discharge the Mortgage when:
  - (a) You have paid all amounts owing as and when required under the Mortgage, including any Prepayment charge;
  - (b) You have kept all other Promises under the Mortgage; and
  - (c) You have paid all lawful costs to prepare and register the discharge.
- (2) If we fully discharge the Mortgage we will no longer be entitled to enforce our rights under the Mortgage. We will not give you notice if we intend to discharge the Mortgage.
- (3) We will prepare the discharge, as required by law, and register it, if we want to. If we register the discharge, we will send you a letter telling you it has been registered.
- (4) Partial Discharge
  - (a) We may release our interest in all or any part of your Property, if we wish. We can do this whether or not we receive any money. We will only be accountable to you for money we actually receive. If we receive money, we will apply it to what you owe us, including the applicable Prepayment charge.

- (b) If we release our interest in part of your Property, the part remaining will continue to secure the Outstanding Amount and your Promises will continue unchanged.

## **SECTION 24 – RENTING YOUR PROPERTY**

- (1) You promise that you will occupy your Property. If you want to rent, lease or enter into any form of tenancy agreement covering all or any part of your Property, you promise to get our prior consent. We may refuse to give it, at our option.
- (2) If you have told us that your Property is, or will be, used only as an owner-occupied residential property, you confirm that no part of your Property is rented or occupied by a tenant.
- (3) If you do not keep any of these Promises, at our option, the Outstanding Amount will immediately become due and payable and we will be entitled to enforce any of our rights.
- (4) In this case, we can pay any amount we think is needed to any tenant, to obtain the co-operation of the tenant in selling your Property, showing your Property and obtaining possession of your Property or any part of your Property from the tenant. You agree that any amount we pay to a tenant will be added to the Outstanding Amount.
- (5) Nothing we do under this Section 24 will put us in possession, control or management of your Property and we are not obliged to collect any rent or income from your Property, or comply with any terms of any lease or agreement.
- (6) If you rent your Property with our consent, you assign to us:
  - (a) All leases, lease agreements and their renewals, whether current or future;
  - (b) All rents payable under the leases and lease agreements; and
  - (c) All rights under the leases or lease agreements that affect your Property.

## **SECTION 25 – ENFORCING OUR RIGHTS**

If you do not keep your Promises, then at our option

- (1) The Outstanding Amount will immediately become due and payable together with any Prepayment charge and a portion of any cash back amount that you promise to repay, as explained in Section 6.7; and
- (2) We may spend money to do anything you promised to do, but did not do. Any money we spend because you did not keep a Promise will be added to the Outstanding Amount. It will be immediately due and payable, will bear interest at the Interest Rate until fully paid to us and will be secured by the Mortgage, in the same priority.

## SECTION 26 – CONDOMINIUM MORTGAGES

(1) If your Property is a condominium unit, you promise to meet these obligations, in addition to your other Promises under the Mortgage:

- (a) You must comply with the *Condominium Property Act* (Alberta), and the plan, by-laws and rules of the condominium corporation. We may ask you to provide proof of compliance.
- (b) You must pay the common expenses for your Property to the condominium corporation on the due dates. We may ask you to provide proof of payment.
- (c) We have the right to give you notice that we will collect your contribution to the common expenses from you and you agree to make that payment. We can accept a statement from the condominium corporation as conclusive evidence of how much is owed for common expenses and when it must be paid.
- (d) You will forward to us any notices or assessments from the condominium corporation.
- (e) You must maintain in good condition and state of repair all improvements made to your Property.
- (f) You must repair your Property after damage.
- (g) You must ensure that the condominium corporation complies fully with:
  - (i) The terms of all insurance policies on the condominium;
  - (ii) All obligations imposed by the *Condominium Property Act* (Alberta);
  - (iii) The by-laws of the condominium corporation; and
  - (iv) The insurance provisions of the plan of the condominium corporation.
- (h) You must carry adequate insurance. This means you must insure all improvements made to your Property. The insurance policy must cover your Property against destruction or damage by fire and by other perils usually covered in fire insurance policies, as well as those perils listed in Section 21(4) of the Mortgage. You must obtain insurance for any additional risks that we require.
- (i) The policy must cover your Property for its full replacement cost: this means the maximum amount for which it can be insured.

- (j) You must insure the common or other interest in both planned and existing buildings, which form part of the condominium property if the condominium corporation fails to insure them.
- (k) You must assign your insurance policies to us. As far as it is legal to do so, you must assign your interest in any insurance policies held by the condominium corporation.
- (l) You must provide us with proof that the insurance for the condominium corporation and your insurance is in force. If the policy is renewed or replaced, you must inform us at least thirty days before the insurance expires.
- (m) You must do everything that is necessary to collect any insurance proceeds.
- (n)
  - (i) You authorize us, in your name and on your behalf, at all times, to exercise your rights under the *Condominium Property Act* (Alberta) to vote at any meeting of the condominium corporation, and to consent to anything having to do with the management, sale or other dealings with the property or assets of the condominium corporation. This authorization includes voting on or any consent to the termination of the condominium corporation;
  - (ii) Our right to vote or consent shall be effective upon our giving notice to you and the condominium corporation at any time that we intend to exercise our right to vote or consent. Any notice we may give may be for an indeterminate or limited period of time, or for a specific meeting or matter;
  - (iii) In exercising these rights, we can choose to not vote or consent at any particular time or on any particular issue; and
  - (iv) If we do vote or consent for you, we do not as a result become a mortgagee in possession. We are not responsible to protect your interests. We are also not responsible for the way we vote or consent, or if we fail to do so.
- (o) If we wish, the Outstanding Amount will become payable immediately if:
  - (i) the governing of your Property by the condominium corporation under the *Condominium Property Act* (Alberta) is terminated. This means your Property is no longer part of a condominium;
  - (ii) a vote of the unit owners authorizes the sale of all or any material part of the property of the condominium corporation, including a material part of its common elements;



- (iii) the condominium corporation fails to comply with the *Condominium Property Act* (Alberta), or the plan, by-laws or rules and regulations of the condominium corporation;
- (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against, for full replacement cost;
- (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or
- (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have, or fails to do all that is necessary to collect insurance proceeds.

## **SECTION 27 – LEASEHOLD MORTGAGES**

- (1) If you rent or lease your Property from someone else, you certify that:
  - (a) You lease your Property under a valid lease, you have given us a copy of that lease and you have good leasehold title to your Property;
  - (b) You have paid all rents and other payments required under the lease and you have kept all of your other promises in the lease, up to the date you sign the Mortgage;
  - (c) You either have the consent of your landlord to the Mortgage, or you have the right to charge your interest in the lease to us, without consent;
  - (d) If the Property is located in a national or provincial park, you have obtained consent from the appropriate government, if necessary, to the Mortgage; and
  - (e) There are no limitations on your interest in the lease except for any set out in the lease, or restrictions registered in the land registry office.
- (2) From now on, you promise that:
  - (a) You will pay rents and other payments required by the lease when due;
  - (b) You will do everything you are required to do under the lease;
  - (c) You will not surrender or transfer your interest in the lease or cause it to be terminated or transferred;
  - (d) You will not make any change in the lease without our approval;

- (e) You will immediately give us a copy of any notice or demand you receive about the lease;
- (f) You will, at your expense, do anything that we think necessary to ensure that all your interest in your Property and in the lease is covered by the Mortgage and that the Outstanding Amount is adequately secured;
- (g) If you default under the lease, and we pay anyone else, as required by law or to protect our security, you will pay us back. If you do not pay us back, the amount we paid will be added to the Outstanding Amount;
- (h) You will hold the last day of the term of the lease or of any renewal term in trust for us and will only deal with it as we require. At our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal;
- (i) We may remove you or any other person as trustee of this trust and appoint a new trustee;
- (j) You must not let any renewal or other options lapse. Unless we tell you otherwise, you must renew the lease or exercise any other option so that the lease will continue as long as the Mortgage is outstanding, and provide us with evidence as we may require;
- (k) If you subsequently buy the Property from the owner, the Mortgage will automatically become a Mortgage on the entire interest in the Property, as if you had owned Property at the time that we advanced you the Principal Amount. If we ask, you agree to re-mortgage and charge your interest in your Property to us, and to execute a mortgage and any other documents we ask;
- (l) If you fail to keep any of your promises under the lease, we can treat that as if you had defaulted under the Mortgage and we can exercise our rights under Section 22;
- (m) If we enforce our rights under the Mortgage, then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in your Property; and
- (n) You irrevocably appoint us as your attorney so that we, on your behalf and in your name, may enforce the lessor's promises under the lease, exercise any options to renew and assign the lease and the last day of the term and of any renewal, and transfer your interest in your Property. This is a right coupled with an interest.

## **SECTION 28 – EXPROPRIATION**

- (1) If your entire Property is expropriated, the Outstanding Amount will immediately become due and payable, together with any applicable Prepayment charge. You promise to hold all amounts you are awarded for the expropriation of your Property in trust for us.
- (2) If only a part of your Property is expropriated, you promise to pay to us the amount you are awarded for the partial expropriation and we will credit it to any Prepayment charge applicable to that amount and to the Outstanding Amount. Until you have paid us, you promise to hold the amount you are awarded in trust for us.
- (3) You acknowledge that we may be restricted by Alberta law to recovery of the market value, as it is defined in the law, of the Property at the date of the expropriation. If the market value is less than the Outstanding Amount, you waive any rights you may have by law related to this restriction.
- (4) If we consider that the remainder of your Property is not adequate security for the Outstanding Amount, then the Outstanding Amount, or the part of the Outstanding Amount as we decide, will immediately become due and payable together with the Prepayment charge applicable to that amount.
- (5) Any amount you pay us because of an expropriation must include the Prepayment charge applicable to that amount.

## **SECTION 29 – ADMINISTRATION FEES**

You promise to pay to us, when we ask, our administration and processing fees we charge at that time to prepare an assumption statement, information statement, payout statement, amending or other agreement, a transfer of the Mortgage, or any fees referred to in Section 23, which are permitted by law. If you do not pay a fee it will be added to the Outstanding Amount. Interest at the Interest Rate will be charged on these unpaid fees.

## **SECTION 30 – APPLICABLE LEGISLATION**

### **30.1 Statutory Covenants Replaced**

The *Land Titles Act* (Alberta) sets out certain covenants in Schedule 2. These covenants are excluded from the Mortgage and replaced with your Promises.

### **30.2 New Home Warranty**

You agree to comply with any new home warranty or similar legislation and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

### **30.3 National Housing Act**

If the Mortgage is insured by CMHC the Mortgage is made under the *National Housing Act*.

### **30.4 Spousal Consent**

Your spouse, by signing the Mortgage, consents to the Mortgage and releases all of his/her interest in the Property to the extent necessary to give effect to our rights under the Mortgage. Your spouse also agrees that we may, without further notice, deal with the Property and the debt created by the Mortgage as we wish.

## **SECTION 31 – WHO IS BOUND BY THE MORTGAGE**

- (1) Not only are you bound by everything in the Mortgage, but also your heirs, executors, administrators, personal representatives, successors and assigns and anybody else to whom your Property is transferred are bound.
- (2) If more than one person signs the Mortgage as Borrower, then all persons who sign are jointly and severally liable to keep all Promises under the Mortgage.
- (3) By way of explanation, the term “jointly and severally” means that if there is more than one person signing the Mortgage as Borrower, each is collectively and individually liable with all other persons signing for keeping all the Promises.

## **SECTION 32 – INTERPRETATION**

### **32.1 Partial Invalidity**

If any provision of the Mortgage is found to be illegal or unenforceable, this will not affect the validity or enforceability of the other provisions.

### **32.2 Paragraph and Section Headings**

Paragraph and Section headings do not form part of the Mortgage, but are used only for easy and convenient reference. They do not affect the construction or interpretation of the Mortgage.

### **32.3 Number and Gender**

Unless the context requires otherwise, words in the singular include the plural, and vice versa, and words specifying a gender include all genders.

## **32.4 Statutes**

Any reference to any statutes shall be deemed to be a reference to such statute and any and all regulations from time to time made under such statute and to such statute and regulations as amended or re-enacted from time to time. Any references in this document to a specific section or sections, paragraph or clause of any statute or regulation shall be deemed to include a reference to any corresponding provision of future law.

### **TRADEMARKS**

® Registered trade-mark of Royal Bank of Canada. Royal Trust Corporation of Canada and The Royal Trust Company licensees of trade-marks. The Canada Life Assurance Company, licensee of HomeProtector trade-mark.

Exhibit "E" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

R. Birkill Prof Corp -100% owned by Richard Birkill

Associated Medical Clinic  
1000017 101 ST Ave  
Lac La Biche, Alberta  
T0A 2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>		<b>Accrued Int</b>	<b>Total</b>
R. Birkill Professional	Bank Account	08799-1002187	\$	5,374.31	\$	5,371.31
R. Birkill Professional	Operating Line	3009-34128637-001	\$	100,000.00	\$ 152.52	\$ 100,152.53
R. Birkill Professional	CEBA	451450000521365	\$	60,000.00	\$	60,000.00
					\$	<b>105,523.84</b>

1692260 Alberta Ltd-100% owned by R. Birkill Prof Corp

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>		<b>Accrued Int</b>	<b>Total</b>
1692260 Alberta Ltd	Demand	3009-32167893-003	\$	670,244.28	\$ 4,433.44	\$ 674,677.72
1692260 Alberta Ltd	Demand	4993-48870811-001	\$	31,306.23	\$ 83.13	\$ 31,389.36
1692260 Alberta Ltd	Commercial Mtg	3009-46297470-001			\$	\$ 1,429,201.72
					\$	<b>2,135,268.80</b>

Birkill Holdings Ltd- 100% owned by Richard Birkill

501 ULLIAC DR  
LAC LA BICHE ALBERTA  
T0A2C0

780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
Birkill Holdings Ltd	Residential Mtg	8799-93620888-001			\$ 431,970.19
					\$ 431,970.19

1015314 Alberta Ltd- 100% owned by Richard Birkill

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
1015314 Alberta Ltd	Bank Account	5839-1005719	\$ (1,935.54)		\$ (1,935.54)
1015314 Alberta Ltd	CEBA	451450005721382	\$ 60,000.00		\$ 60,000.00
					\$ (1,935.54)

Delinquent  
CEBA



Exhibit "F" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

**ROYAL BANK OF CANADA CREDIT AGREEMENT**

<b>BORROWER:</b> R. BIRKILL PROFESSIONAL CORPORATION	<b>DATE:</b> October 25, 2019
<b>ADDRESS</b> (Street, City/Town, Province, Postal Code) 501 ULLIAC DRIVE LAC LA BICHE, AB T0A 2C0	<b>SRF:</b> 969735067

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned (the "Borrower") the following credit facilities (the "Credit Facilities"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "Agreement"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

**CREDIT FACILITIES**

**Facility #1**    **Revolving demand facility in the amount of \$100,000.00, available by way of RBP based loans.**  
 Minimum retained balance \$0.00  
 Revolved by the Bank in increments of \$1,000.00  
 Interest rate: RBP + 0.75% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.  
 Margined: Yes  No

**SECURITY**

Security for the Borrowing and all other obligations of the Borrower to the Bank, including without limitation, any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement – floating charge on land on the Bank's form 923 signed by the Borrower constituting a first floating charge on all present and after-acquired real property of the Borrower and a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$250,000.00 signed by Richard Birkill;
- c) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$278,000.00 signed by 1015314 Alberta Ltd.;
- d) Postponement and assignment of claim on the Bank's form 918 signed by Richard Birkill.

**FEES**

Facility #1 management fee of \$25.00 payable in arrears on the same day each month.

**REPORTING REQUIREMENTS**

The Borrower will provide to the Bank:

- a) annual notice to reader financial statements for the Borrower and 1015314 Alberta Ltd., within 90 days of each fiscal year end;
- b) biennial personal statement of affairs for all Guarantors, who are individuals, within 90 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2020;
- c) such other financial and operating statements and reports as and when the Bank may reasonably require.

**BUSINESS LOAN INSURANCE PLAN**

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

\* Registered trademark of Royal Bank of Canada.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

#### **STANDARD TERMS**

The following standard terms have been provided to the Borrower:

- Form 472 (07/2019) Royal Bank of Canada Credit Agreement - Standard Terms
- Form 473 (02/2019) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms
- Form 473A (10/2017) Royal Bank of Canada Credit Agreement - RBC Covarity Terms and Conditions
- Form 473B (02/2019) Royal Bank of Canada Credit Agreement - Margined Accounts Standard Terms

#### **ACCEPTANCE**

This Agreement is open for acceptance until November 24, 2019, after which date it will be null and void, unless extended by the Bank in its sole discretion.

#### **ROYAL BANK OF CANADA**



Per: \_\_\_\_\_  
Title: Vice President

**RBC Contact: DANIELLE SWAN**

/pf

\* Registered trademark of Royal Bank of Canada.

**CONFIRMATION & ACCEPTANCE**

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.

Confirmed, accepted and agreed this 20 day of 2020, 2020.  
*AUGUST 8*

**R. BIRKILL PROFESSIONAL CORPORATION**

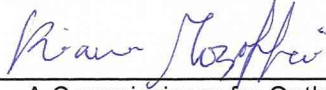
Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

I/We have the authority to bind the Borrower

\* Registered trademark of Royal Bank of Canada.

Exhibit "G" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

R. Birkill Prof Corp -100% owned by Richard Birkill

Associated Medical Clinic  
1000017 101 ST Ave  
Lac La Biche, Alberta  
T0A 2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
R.Birkill Professional	Bank Account	08799-1002187	\$ 5,374.31		\$ 5,371.31
R.Birkill Professional	Operating Line	3009-34128637-001	\$ 100,000.00	\$ 152.52	\$ 100,152.53
R.Birkill Professional	CEBA	451450000521365	\$ 60,000.00		\$ 60,000.00
					\$ 105,523.84

1692260 Alberta Ltd-100% owned by R.Birkill Prof Corp

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0  
780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
1692260 Alberta Ltd	Demand	3009-32167893-003	\$ 670,244.28	\$ 4,433.44	\$ 674,677.72
1692260 Alberta Ltd	Demand	4993-48870811-001	\$ 31,306.23	\$ 83.13	\$ 31,389.36
1692260 Alberta Ltd	Commercial Mtg	3009-46297470-001			\$ 1,429,201.72
					\$ 2,135,268.80

Birkill Holdings Ltd- 100% owned by Richard Birkill

501 ULLIAC DR  
LAC LA BICHE ALBERTA  
T0A2C0

780-623-4421

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
Birkill Holdings Ltd	Residential Mtg	8799-93620888-001			\$ 431,970.19
					\$ 431,970.19

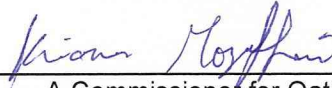
1015314 Alberta Ltd- 100% owned by Richard Birkill

501 15156 OLD TRAIL  
LAC LA BICHE ALBERTA  
T0A2C0

<b>Borrower</b>	<b>Facility</b>	<b>Facility #</b>	<b>Principle</b>	<b>Accrued Int</b>	<b>Total</b>
1015314 Alberta Ltd	Bank Account	5839-1005719	\$ (1,935.54)		\$ (1,935.54)
1015314 Alberta Ltd	CEBA	451450005721382	\$ 60,000.00		\$ 60,000.00
					\$ (1,935.54)

Delinquent  
CEBA

Exhibit "H" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law





Royal Bank of Canada  
Guarantee and Postponement of Claim

SRF: 145045530  
Borrower: 1692260 ALBERTA LTD.

9034 51ST AVE  
EDMONTON  
ALBERTA  
T6E 5X4  
CA

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **1692260 ALBERTA LTD.** (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of **\$850,000.00** together with interest thereon from the date of demand for payment at a rate equal to **the Bank's Prime Interest Rate plus 5.00 percent per annum** as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the Liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the Liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the Liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

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(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the Liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) 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 Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall

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be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, an every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the province of ALBERTA ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in all P.F.S.A. except Ontario.) (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

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EXECUTED this

03-08-2016  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

R. BIRKILL PROFESSIONAL CORPORATION

*Adriana Cabrese*  
Witness Signature:

ADRIANA CABRESE  
Name:

*[Signature]*  
\_\_\_\_\_

\_\_\_\_\_  
Witness Signature:

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

Insert the full name and address of Guarantor (Undersigned above).

Full name and address

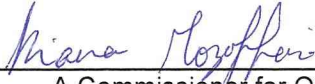
R. BIRKILL PROFESSIONAL CORPORATION  
10017 101 AVE  
LAC LA BICHE  
ALBERTA  
T0A2C0  
CA

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Exhibit "I" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink that reads "Kiana Mozaffari". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

## GUARANTEE AND POSTPONEMENT OF CLAIM

**TO: ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by R. BIRKILL PROFESSIONAL CORPORATION (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of \$150,000.00 **One Hundred Fifty Thousand Dollars** together with interest thereon from the date of demand for payment at a rate equal to the Bank's Prime Interest Rate per annum in effect from time to time plus 5.000 Five percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 30 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfil any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the

whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) 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 Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Alberta ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

[Applicable in all P.P.S.A. Provinces except Ontario.]

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED at LAC LA PICHE, ALBERTA this June 29 2012  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

1015314 ALBERTA LTD.

Witness

Witness

Witness

Witness

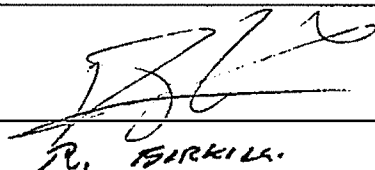
  
R. BARKILL.



Exhibit "J" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", is written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

## Guarantee and Postponement of Claim

ONAL CORPORATION

10117 JASPER AVE  
3RD FLR  
EDMONTON  
ALBERTA  
T5J 1W8  
CA

## ANADA

ATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called is, present or future, direct or indirect, absolute or contingent, matured or not, at any time ONAL CORPORATION (hereinafter called the "Customer") to the Bank or remaining unpaid ofore or hereafter incurred or arising and whether incurred by or arising from agreement or Customer or by or from any agreement or dealings with any third party by which the Bank whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere this guarantee is executed and whether the Customer be bound alone or with another or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the d to the sum of **\$278,000.00** together with interest thereon from the date of demand for k's Prime Interest Rate plus **5.00 percent per annum** as well after as before default and

ACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S)

wals, extensions, indulgences, releases and discharges to, take securities (which word as en by the Bank from the Customer and others, monies which the Customer has on deposit Customer held by the Bank in safekeeping or otherwise, and other guarantees) from and ig securities up to, abstain from taking securities from, or perfecting securities of, cease or ig loans or advances to, or change any term or condition applicable to the Liabilities, s of interest or maturity date, if any, or introduce new terms and conditions with regard to ns from and otherwise deal with, the Customer and others and with all securities as the ll moneys at any time received from the Customer or others or from securities upon such seems best and change any such application in whole or in part from time to time as the t in any way limiting or lessening the liability of the undersigned under this guarantee, and rities received by the Bank from the Customer or others, whether occasioned by the fault y way limit or lessen the liability of the undersigned under this guarantee.

inuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any npaid to the Bank.

exhaust its recourse against the Customer or others or any securities it may at any time ent from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of



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may, by notice in writing delivered to the Manager of the branch or agency of the Bank on or after the date that is 30 days following the date of receipt by the Bank of such liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in fact incurred or arising even though not then matured, provided, however, that upon receipt of such notice the Bank may fulfil any requirements of the Customer based on agreements in effect at the time of the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and in the event of the determination of this guarantee as to one or more of the undersigned it shall extend to the other or others of the undersigned.

Present and future, of the customer to the undersigned or any of them are hereby assigned to the undersigned; and all moneys received by the undersigned or any of them in respect thereof and forthwith upon receipt shall be paid over to the Bank, the whole without in any way deduction by the undersigned under the foregoing guarantee; and this assignment and postponement is irrevocable and shall remain in full effect notwithstanding that the liability of the undersigned or any of them may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement shall include, and this section in particular, includes any funds advanced or held at the disposal of the undersigned.

This guarantee shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or the name of the Customer or in the membership of the Customer's firm through the death or withdrawal of one or more of the undersigned or the introduction of one or more other partners or otherwise, or by the acquisition of the business, or by any change whatsoever in the objects, capital structure or constitution of the business being amalgamated with a corporation, but shall notwithstanding the happening of any such event extend to all the Liabilities whether theretofore or thereafter incurred or arising and in this section shall include every such firm and corporation.

This guarantee shall be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any debt due by the Customer for the time being due or remaining unpaid to the Bank, and all dividends, interest and payments received by the Bank from the Customer or from others or from any source whatsoever for purposes as payments in gross without any right on the part of the undersigned to claim in respect of such payments the benefit of any such dividends, compositions, proceeds or payments or any other source whatsoever, and the undersigned shall have no right to be subrogated in any rights which the Bank may receive or be entitled to receive in full of the Liabilities.

All debts, credits and credit facilities in fact borrowed or obtained from the Bank shall be secured by this guarantee, notwithstanding any lack or limitation of status or of power, incapacity or disability of the undersigned or any of them or partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or informality in the borrowing or obtaining of such monies, advances, renewals, credits or facilities, or that the Customer is a partnership, or that the Customer is a corporation, or that the Customer is a partnership, or similar or not, the whole whether known to the Bank or not. Any sum which may not be secured by this guarantee on the footing of a guarantee, whether for the reasons set out in the previous paragraph or otherwise, shall be recoverable from the undersigned and each of them as sole or joint debtors, and shall be paid to the Bank on demand with interest and accessories.

This guarantee shall be in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank or any other obligant, whether bound with or apart from the Customer; excepting any other guarantee which may be cancelled on delivery of this instrument or confirmed in writing by the Bank to be cancelled.

All the undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if demanded immediately before demand for payment under this guarantee any account stated by the Bank to the undersigned and each of them as conclusive evidence of the amount which at the date of demand is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

This guarantee shall be operative and binding upon every signatory thereof notwithstanding the absence of any other proposed signatory or signatories, and possession of this instrument by the Bank shall be deemed to be acceptance of this instrument.



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ne undersigned and each of them that this instrument was not delivered in escrow or should not be effective until any conditions precedent or subsequent had been complied of this instrument by the Bank each signatory thereof obtains from the Manager of the receiving this instrument a letter setting out the terms and conditions under which this conditions, if any, to be observed before it becomes effective.

ntee shall be instituted until demand for payment has been made, and demand for e been effectually made upon any guarantor if and when an envelope containing such rtor at the address of such guarantor last known to the Bank, is posted, postage prepaid, of the death of any guarantor demand for payment addressed to any of such guarantor's legal representatives at the address of the addressee last known to the Bank and posted ave been effectually made upon all of them. Moreover, when demand for payment has also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by rom any action instituted on the basis of this guarantee. All payments hereunder shall be jency of the Bank.

agreements between the parties hereto relative to this guarantee and assignment and parties shall be bound by any representation or promise made by any person relative in.

it shall extend to and enure to the benefit of the Bank and its successors and assigns, an rsigned or to each of them or to any of them, is a reference to and shall be construed as heirs, executors, administrators, legal representatives, successors and assigns of the or of any of them, as the case may be, to and upon all of whom this guarantee and ding.

ual rate of interest announced from time to time by Royal Bank of Canada as a reference terest rates on Canadian dollar commercial loans in Canada.

ement of Claim shall be governed by and construed in accordance with the laws of the n"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or ng to this Guarantee and Postponement of Claim, and irrevocably agrees that all such eard and determined in such courts, and irrevocably waives, to the fullest extent possible, im. The undersigned agrees that a judgment or order in any such action or proceeding may y any manner provided by law. Provided, however, that the Bank may serve legal process may bring an action or proceeding against the undersigned or the property or assets of the her jurisdiction.

cknowledges receipt of a copy of this agreement.

raives Undersigned's right to receive a copy of any Financing Statement or Financing Char nk.



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5 / 5 / 2018  
(MONTH) (DAY) (YEAR)

1015314 ALBERTA LTD.  

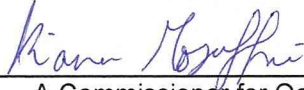

Address of Guarantor (Undersigned above).

Full name and address



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Exhibit "K" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink that reads "Kiana Mozaffari". The signature is written in a cursive style with a horizontal line underneath it.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

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**GUARANTEE OF MORTGAGE**

**WHEREAS:**

A. Royal Bank of Canada (the "Mortgagee") has agreed or is about to advance to 1692260 ALBERTA LTD. (the "Mortgagor") a loan up to the amount (for principal monies) of ONE MILLION FIVE HUNDRED SEVENTY SIX THOUSAND EIGHT HUNDRED DOLLARS (\$1,576,800.00) (any such loan as advanced at any time or from time to time being hereinafter referred to as the "Loan" and the principal amount thereof being hereinafter referred to as the "Principal Amount");

B. The Mortgagor has agreed to pay interest on the Loan at a rate (the "Mortgage Interest Rate") equal to 18% per annum, calculated monthly not in advance

C. It is intended that the Loan will be secured by a mortgage (such mortgage as hereinafter amended, extended, varied or otherwise modified being hereinafter referred to as the "Mortgage") covering certain lands and premises (the "Mortgaged Premises") being legally described as:

PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

D. It is a condition precedent of any advance of the Loan that the undersigned (hereinafter referred to as the "Guarantor", which expression, if there is more than one undersigned, shall include all of them jointly and each of them severally) enter into this Guarantee in favour of the Mortgagee.

**NOW THEREFORE** for valuable consideration (receipt of which is hereby acknowledged) and in compliance with the aforesaid condition precedent, the Guarantor and each of them (if more than one) hereby agrees as follows:

Each Guarantor hereby:

- (a) guarantees the payment on demand by the Mortgagor to the Mortgagee of all of the Principal Amount and other liabilities of the Mortgagor secured or payable under the Mortgage, present or future, direct or indirect, absolute or contingent, matured or not, including, without limitation, principal, interest, taxes, fees and expenses as and when the same are due and payable under the Mortgage (the "Guaranteed Amounts"), and
- (b) covenants and agrees to perform on demand all other covenants and obligations of the Mortgagor under the Mortgage as and when the same are required to be observed or performed under the Mortgage (the "Guaranteed Covenants"),

provided that the liability of the Guarantor under this Guarantee in respect of the Guaranteed Amounts shall be limited to \$630,720.00, together with interest after the date of demand for payment at the Mortgage Interest Rate, and any legal costs (on a solicitor and its own client basis) and expenses incurred in recovering or attempting to recover amounts under this Guarantee.

The obligations of the Mortgagor to pay the Guaranteed Amounts and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "Guaranteed Obligations", and this guarantee is hereinafter referred to as the "Guarantee".

If there is more than one Guarantor, the obligations of the Guarantors under this Guarantee shall be joint and several and any reference herein to "the Guarantor" is to each and every such Guarantor.

If any monies or amounts expressed to be owing or payable under this Guarantee by the Guarantor are not recoverable from the Guarantor, or any of them, on the footing of a guarantee for any reason

whatever, such monies or amounts may be recovered from the Guarantor, or any of them, as a primary obligor and principal debtor in respect of such monies or amounts, regardless of whether such monies or amounts are recoverable from the Mortgagor or would be payable by the Mortgagor to the Mortgagee. For greater certainty, but without restricting the generality of the foregoing, if the Mortgagee is prevented or restricted from exercising its rights or remedies with respect to any of the Guaranteed Obligations, including, without limitation, the right of acceleration, the right to be paid interest at the Mortgage Interest Rate in respect of the Guaranteed Obligations or the right to enforce or exercise any other right or remedy with respect to the Guaranteed Obligations, the Guarantor agrees to pay the amount that would otherwise have been due and payable had the Mortgagee been permitted to exercise such rights and remedies in accordance with the terms agreed to between the Mortgagor and Mortgagee; provided, however, that the foregoing characterization of the liability of the Guarantor as that of a primary obligor and principal debtor is not intended and shall not be interpreted to confer on the Guarantor, or any of them, any right, benefit or advantage that the Guarantor would not otherwise have in the absence of such characterization.

Without giving notice to or obtaining the consent or concurrence of any Guarantor, the Mortgagee may:

- (a) grant any time, indulgences, waivers or extensions of time for payment of any of the Guaranteed Obligations;
- (b) grant any renewals or extensions of the Mortgage with or without a change in the Mortgage Interest Rate or in any other terms or conditions of the Mortgage and whether by express agreement signed by the Mortgagor or otherwise;
- (c) change the interest rate provided in the Mortgage, either during the initial term of the Mortgage or in any subsequent extension or renewal term, whether by way of increase, decrease, or change in the reference rate by which the interest rate is calculated or determined; change from a fixed rate to a variable or floating rate, or from a variable or floating rate to a fixed rate, or otherwise;
- (d) change the amortization of the Mortgage, whether by way of increase or decrease;
- (e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of the Mortgage in any manner whatever;
- (f) release or discharge from the Mortgage the whole or any part of the Mortgaged Premises;
- (g) accept compositions, compromises or proposals from the Mortgagor or otherwise deal with the Mortgagor or any other person (including without limitation, the Guarantor or any other Guarantor of the Guaranteed Obligations), any security (including, without limitation, the Mortgage) or the Mortgaged Premises as the Mortgagee sees fit, including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Guaranteed Obligations;
- (h) release or discharge any Guarantor or one or more other co-covenantors or Guarantors or Mortgagors in respect of the Mortgage whether under this Guarantee or otherwise; or
- (i) release any subsequent legal or beneficial owner of the Mortgaged Premises from any liability for the Guaranteed Obligations, or any of them, or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Guarantor under this Guarantee, regardless of whether any such action has the effect of amending or varying the Mortgage or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the Guaranteed Obligations. The Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall extend to and include the obligations of the Mortgagor under the Mortgage as so amended, renewed, extended, or varied and the Guaranteed Obligations as so increased, expanded or altered without further action on the part of the Mortgagee or the consent or



concurrency of any Guarantor; and for greater certainty and without limiting the foregoing, if the interest rate provided in the Mortgage is increased or otherwise altered, the Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall be extended to and include the obligation of the Mortgagor to pay interest at such increased or altered rate.

The obligations of the Guarantor under this Guarantee shall be unaffected by:

- (a) any lack or limitation of status or power, disability, incapacity, death, dissolution or other circumstances relating to the Mortgagor, any Guarantor or any other party;
- (b) any irregularity, defect, unenforceability or invalidity in respect of the Mortgage or any indebtedness, liability or other obligation of the Mortgagor or any other party;
- (c) any release or discharge of the Guaranteed Obligations, except by reason of their irrevocable payment and satisfaction in full;
- (d) any judgment obtained against the Mortgagor, or the taking, enforcing, exercising or realizing on, or refusing or neglecting to take, enforce, exercise or realize on, or negligence in taking, enforcing, exercising or realizing on, any security (including without limitation any money on deposit and any guarantee) or any right or remedy, from or against the Mortgagor or any other party or their respective assets or releasing or discharging, or failing, refusing or neglecting to maintain, protect, renew or perfect, any security (including without limitation any money on deposit or any guarantee) or any right or remedy;
- (e) any change in the name, control, objects, business, assets, capital structure, or constitution of the Mortgagor or any Guarantor, or any merger or amalgamation of the Mortgagor or any Guarantor whether or not under the laws of a jurisdiction other than the jurisdiction under which the Mortgagor or Guarantor was originally formed, or any change in the membership of the Mortgagor or any Guarantor, if a partnership, through the death, retirement or introduction of one or more partners, or otherwise; and each reference to the "Mortgagor" or the "Guarantor" in this Guarantee will be deemed to include each corporation and each partnership resulting from any of the foregoing;
- (f) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of the Mortgage or this Guarantee, or the Mortgagor or any Guarantor;
- (g) any failure on the part of the Mortgagee to perfect, maintain or enforce its rights whether due to its default, negligence or otherwise on the part of the Mortgagee with respect to the Mortgage, or any other security granted to the Mortgagee relating to the Mortgage; and
- (h) any other circumstances whatsoever (with or without notice to or the knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor under this Guarantee, or might otherwise constitute a legal or equitable discharge of a surety or guarantor;

it being the purpose and intent of each Guarantor that the liabilities and obligations of each Guarantor under this Guarantee shall be absolute and unconditional under any and all circumstances

Unless and until all Guaranteed Obligations have been irrevocably paid and satisfied in full and the Mortgagee shall have no further obligation to advance any further monies to the Mortgagor, the Guarantor shall not be subrogated to any of the rights or claims of the Mortgagee in respect of any of the Guaranteed Obligations, or under any security agreement or guarantee or other instrument which may at any time be held by or on behalf of the Mortgagee, and the Guarantor shall not seek any reimbursement from the Mortgagor.

The obligations of the Guarantor under this Guarantee shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of





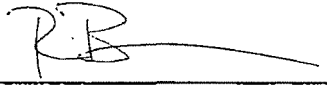
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**GUARANTEES ACKNOWLEDGEMENT ACT**  
**(Section 3)**  
**CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Richard Birkill, the guarantor in the guarantee dated the 12 day of January, 2018, made between Richard Birkill and Royal Bank of Canada, 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 RANDOLPH R. BENSON, Lawyer at Lac La Biche, in the Province of Alberta, this 12 day of January, 2018.

  
\_\_\_\_\_  
Signature

RANDOLPH R. BENSON  
BARRISTER & SOLICITOR

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.


  
\_\_\_\_\_  
Signature of Guarantor - Richard Birkill

Exhibit "L" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink that reads "Kiana Mozaffari". The signature is written in a cursive style with a horizontal line underneath it.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law



## GUARANTEE OF RESIDENTIAL MORTGAGE

### TERMS YOU NEED TO KNOW

In this document, the following terms are used with particular meanings:

- (a) **Borrower** means BIRKILL HOLDINGS LTD., the person(s) we loaned money to or who we will loan money to and who will give, or has given, the Mortgage to secure the Loan;
- (b) **Guarantee** means the agreement with us contained in this document;
- (c) **Guaranteed Amounts** means any sums of money that must be paid by the Borrower under the Mortgage, whether the sums of money are owing now or in the future, directly or indirectly, absolutely or contingently, and whether such amounts are due or not;
- (d) **Guaranteed Obligations** refers collectively to the Borrower's obligations to pay the Guaranteed Amounts and keep the Guaranteed Promises;
- (e) **Guaranteed Promises** means everything the Borrower agrees to do under the Mortgage, when it is required to be done;
- (f) **Interest Rate** means the interest rate that applies to the Mortgage and the calculation of that rate as shown in the Mortgage, as both may be amended from time to time. The Interest Rate and how it is calculated are shown in the Mortgage. It is an annual rate. The following is a brief explanation of the Interest Rates that apply to three forms of Mortgage. These terms are explained more fully in the Mortgage.

<i>Form of Mortgage</i>	<i>Applicable Interest Rate</i>	<i>Explanation</i>
Fixed Rate Mortgage	Fixed Interest Rate	This rate will not vary over the term of the Mortgage
Variable Rate Mortgage	Variable Interest Rate	This rate gets adjusted as the Prime Rate rises or falls
<i>RateCapper</i> Mortgage	Variable Interest Rate	Like a Variable Rate Mortgage, this rate can rise or fall, but will not rise above a set limit, known as the <i>RateCapper</i> Maximum Rate

At the date of this Guarantee, the Interest Rate is a

*Delete the inapplicable options. Include option 3 for RateCapper Mortgages only.*

1. fixed rate of 2.69% per year, calculated semi-annually not in advance.
- ~~2. variable rate equal to our Prime Rate plus a premium/less a discount of \_\_\_ % per year, calculated monthly not in advance.~~
- ~~3. The RateCapper Maximum Rate is \_\_\_ per year, calculated monthly not in advance.~~

This calculation is more fully explained in the Mortgage.

- (g) **Loan** means all debts and liabilities payable to us by the Borrower under the Mortgage;
- (h) **Mortgage** means the legal agreement between us and the Borrower in which the Borrower gives us rights over the Property as collateral for the Loan described in the Mortgage. "Mortgage" also includes any other documents attached to the legal agreement as schedules and any documents amending the Mortgage. In Alberta it includes the Standard Mortgage Terms filed by Royal Bank of Canada as filing number 052346653, as well as the document that the Borrower signed to give us the Mortgage, which is registered in the land title office. Here is a summary of the terms of the Mortgage as of the date of this Guarantee:

Principal Amount: \$~~612~~,000.00  
Initial term: ~~24~~ months

- (i) **Outstanding Amount** means the total amount remaining to be paid on the Mortgage at any time, and it includes the portion of the Principal Amount that remains unpaid, interest, additional amounts advanced and amounts we have paid because the Borrower has not kept a Promise;

- (j) **Prime Rate** means the annual rate of interest announced by Royal Bank of Canada from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada. Our notices of the Prime Rate will be conclusive.
- (k) **Principal Amount** means \$ 612,000.00, which is the amount that we originally lent, or will be lending, to the Borrower;
- (l) **Property** means *[insert municipal address]*. This is the land described in the Mortgage, and includes any buildings constructed on the land and anything attached or fixed to the land or buildings. It also includes any future building, addition, attachments or fixtures (fixtures includes things such as furnaces) to the land or buildings and, in the case of a leasehold title, the lease, except for the last day of the term of the lease, and any other interest, right, option or benefit set out in the lease;
- (m) **We, us and our mean** ROYAL BANK OF CANADA, the financial institution making the loan described in the Mortgage;
- (n) **You** means the guarantor of the Borrower's promises or obligations in the Mortgage and includes each person who has signed or is bound by this Guarantee.

## WHAT THE GUARANTEE COVERS

1. In return for us lending up to the Principal Amount to the Borrower, and for other good and valuable consideration, which you acknowledge having received, you agree to perform the Guaranteed Obligations in the manner set out in this Agreement if the Borrower does not do so. The Guaranteed Obligations include:

- (a) Payment of Guaranteed Amounts. You agree to pay to us the Guaranteed Amounts together with interest on the Outstanding Amount at the Interest Rate on the days and at the times the Borrower is required to pay them under the Mortgage; and
- (b) Performance of the Guaranteed Promises. You agree to keep all of the Borrower's other promises in the Mortgage.

You agree to meet the Guaranteed Obligations in the manner set out in this Agreement if the Borrower does not do so, immediately after we send you a letter asking you to do so.



## INDIVIDUAL AND COLLECTIVE OBLIGATIONS

2. If there is more than one Guarantor, each of you will be jointly and severally liable with all the others for keeping all the Guaranteed Obligations. By way of explanation, the term "jointly and severally" means that if there is more than one Guarantor, each is collectively and individually liable with all others for keeping all the Guaranteed Obligations.

## PRINCIPAL DEBTOR

3. If we cannot legally recover any Guaranteed Amounts from you as a guarantor of the Guaranteed Obligations, we still have the right to collect those amounts from you just as if we had loaned those amounts directly to you as a principal debtor. We can do this even if we cannot recover those amounts from the Borrower for any reason or if the Borrower does not owe us those amounts for any reason or has a valid defence against paying us. For example, if for any reason we are prevented from enforcing any of our rights against the Borrower under the Mortgage, such as the right to be paid the full Outstanding Amount immediately if the Borrower breaks any of the Guaranteed Obligations, you agree to pay us the amount that we would have been able to collect if we had been able to enforce our rights. However, by saying that we have the right to collect certain amounts from you as if we had loaned those amounts to you, we do not intend to give you the same rights that a borrower would have against a lender. Instead, your legal defences against a claim under this Guarantee will still be the same as the defences that you would have as a guarantor, except for the defences that you have waived in this Guarantee.

## RIGHT TO PREPAY

4. If the term of the Mortgage is more than five (5) years, the *Interest Act (Canada)* permits the Borrower to prepay the Mortgage after more than five (5) years have passed from the date of the Mortgage, provided that three (3) months further interest is paid. You agree that if you or the Borrower ever take advantage of this prepayment right, the date of the Mortgage will be the date on which the term of the Mortgage started, but if the Mortgage is renewed or extended, you agree that the date of the Mortgage will then be the date of the renewal or the extension agreement and that the five year period will start to run from the date of the renewal or the extension agreement, not the original date, even though legally it is still considered to be the same Mortgage.

## ACTIONS NOT TO AFFECT LIABILITY

5. This Guarantee will be valid despite the fact that we take any of the following actions, and even if we have not told you beforehand or asked for your consent. We may:

- (a) give the Borrower more time to make the payments or perform any of the Guaranteed Obligations, or waive the Borrower's obligation to keep any of the Guaranteed Obligations;

- (b) extend or renew the term of the Mortgage, whether or not these extensions or renewals include a change in any Guaranteed Obligations, such as the interest rate, and whether these extensions or renewals are by way of a written agreement with the Borrower or otherwise (for example, if we automatically renew the Mortgage) and whether these extensions or renewals result in a new mortgage that replaces the Mortgage;
- (c) change the rate of interest in the Mortgage, either during the initial term or in any renewal or extension of the term, whether by increasing or decreasing the rate, changing the reference rate by which the rate is calculated, changing from a fixed rate to a variable or floating rate or the reverse;
- (d) shorten or lengthen the amortization period of the Mortgage;
- (e) change any other Guaranteed Obligations in the Mortgage;
- (f) release all or any part of the Property described in the Mortgage or any other security for the Loan;
- (g) advance additional amounts of principal to the Borrower under the Mortgage;
- (h) permit the Borrower to prepay all or part of the Mortgage or to skip one or more regular payments or to make multiple payments on any scheduled payment date under the Mortgage, whether these pre-payments, skipped payments or multiple payments are allowed in the Mortgage or not;
- (i) accept any proposals or offers from the Borrower or otherwise deal with the Borrower or any other person (including you or any other guarantor), with any security, including the Mortgage, and with the Property described in the Mortgage and other security, as we see fit;
- (j) release or discharge a Borrower or any one of you or any other person who has guaranteed the Borrower's obligations under the Mortgage;
- (k) release any subsequent owner of the Property from any liability under the Guaranteed Obligations or not require any subsequent owner to assume any of these liabilities.

None of these actions shall affect your promises under this Guarantee, even if these actions increase or otherwise change the Guaranteed Obligations or increase or change your risk under this Guarantee. When we use the term "Guaranteed Obligations", we mean both the original Guaranteed Obligations and the Guaranteed Obligations (including repayment of any additional amounts advanced to the Borrower under the Mortgage) after they have been changed

or varied by any of the above actions, even if you have not consented to these changes and without any further action being necessary by the Borrower.

### PROMISES UNAFFECTED

6. Your promises under this Guarantee will not be affected by any of the following:
- (a) the disability, legal incapacity or death of the Borrower or any other guarantor or person or you;
  - (b) the fact that any of the Guaranteed Obligations in the Mortgage are not valid or legally binding;
  - (c) any defect in title to the Property;
  - (d) any release of the Guaranteed Obligations, unless payment in full has been received for all Outstanding Amounts and all Guaranteed Obligations have been satisfied;
  - (e) we obtain a court order against the Borrower, or we take any steps (or failing to take any steps) to exercise our rights under or realize on the Mortgage, or we exercise any legal remedy or rights that we have acquired from or against the Borrower or any other person, their assets or other property or by us releasing or maintaining any security, right or remedy;
  - (f) any change in law which might affect any terms of the Mortgage or this Guarantee, or you or the Borrower;
  - (g) any failure by us to enforce our rights under the Mortgage or other security;
  - (h) any failure by us to take any steps necessary to make sure the Mortgage, or any other security relating to the Mortgage, is enforceable or is perfected as against other creditors, and to exercise our rights, even if that failure is due to our neglect or otherwise;
  - (i) any other actions, circumstances or occurrences, whether or not you receive notice about them, which may change your risk or the Guaranteed Obligations, or under which the law or equity would otherwise release you from performance of the Guaranteed Obligations, even if they are not listed above.

Each of you signing this Guarantee understands and agrees that your promise to perform

the Guaranteed Obligations is absolute and unconditional. This means that you will in all circumstances perform the Guaranteed Obligations as well as your other promises given in this Guarantee.

### **WAIVER OF SUBROGATION**

7. Until all the Guaranteed Obligations have been fully and finally satisfied, you shall not have the right to take over any of the legal rights that we have under the Guarantee, Mortgage or any other security agreement against the Borrower and you will not ask the Borrower to reimburse you for amounts you have paid out under this Guarantee. This means that you do not have the right to "stand in our shoes" and exercise our rights against the Borrower, even if you make a payment under the Guarantee, and you will not be able to recover anything from the Borrower, until we are paid in full by the Borrower and the Borrower has kept all of his/her/its Guaranteed Obligations.

### **CONTINUING GUARANTEE**

8. You will remain responsible for payment and performance of the Guaranteed Obligations if, after you have paid us a Guaranteed Amount or kept a Guaranteed Promise, your payment or performance is cancelled or taken back from us for any reason, including your bankruptcy or insolvency or the bankruptcy or insolvency of the Borrower.

### **NO OBLIGATION TO ENFORCE**

9. We can demand payment or performance of the Guaranteed Obligations at any time before we try to get the Borrower to keep any Promise or make any payments. You also waive your right to ask us to look to the Borrower, the Property or any of the Borrower's other property in satisfaction of the Guaranteed Obligations.

If there is more than one Guarantor, each is liable for all the Guaranteed Obligations and you do not have the right to pay only a pro rated share of the Guaranteed Obligations.

The Guarantee and the Guaranteed Obligations are in addition to and not in substitution for any other guarantee and any other promises you or anyone else has given us.

### **TERMINATION OF LIABILITIES**

10. Your liabilities under the Guarantee will continue if the Borrower sells the Property, unless we decide at our discretion to release you from your performance of the Guaranteed Obligations.

### **INDEMNITY**

11. You agree to indemnify and reimburse us for all losses, damages, costs and expenses

(including our legal costs on a solicitor and his own client basis) we may suffer or incur by reason of:

- (a) the Borrower's failure to pay any amount under the Mortgage, even if the Borrower has a good defence against us or a valid reason for not paying the amount to us;
- (b) the Borrower's failure to perform any of the Guaranteed Promises under the Mortgage or any other security for the Loan; or
- (c) any act, action or legal proceeding we may make or take or related to the recovery of any sums of money that you owe us under this Guarantee or the performance of any of the Guaranteed Obligations.

This indemnity is different from the Guarantee that you have given us. It is not a guarantee, because it is a separate legal obligation to reimburse us for certain losses which we can enforce against you even if the Guarantee itself cannot be enforced.

#### **WHO IS BOUND BY THIS GUARANTEE**

12. This Guarantee binds every one who signs it regardless of when the signature is written. The fact that one or more of the parties does not sign the Guarantee even though there is a signature line for such party does not invalidate the rest of the Guarantee for the parties who do sign.

#### **NOTICE**

13. You agree that we can deliver to you any letter or notice under this guarantee, or any notice required by law, at the address that you may indicate to us from time to time, or at the last known address that we have for you, and such notice will be deemed delivered to you (a) if delivered, on the date on which it was delivered; (b) if mailed by regular mail, on the date it was posted in the post office. In case of doubt, any notice may be validly served on you at the address of the Property.

#### **SUCCESSORS AND ASSIGNS**

14. Your obligations will also be those of your heirs, executors, administrators, personal representatives, successors and assigns. Your obligations will not be altered by either your bankruptcy or that of the Borrower.

#### **CHOICE OF LAW**

15. This Guarantee shall be governed by the laws of the province or territory in which the Property is situated. While we may choose to take legal action against you or under this Guarantee in the court of any province or territory in Canada, each of you agrees that the courts

of the province or territory in which the Property is situated shall have jurisdiction over each of you and over any matter arising out of this Guarantee.

**PARTIAL INVALIDITY**

16. If any provision of this Guarantee is illegal or unenforceable, it will not affect the validity or enforceability of the other provisions.

**HEADINGS**

17. Paragraph and section headings do not form part of this Guarantee, but are used only for easy and convenient reference. They do not affect the construction or interpretation of the Guarantee.

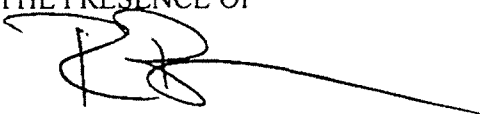
**RECEIPT OF COPY**


18. You acknowledge receipt of a copy of this Guarantee, the Mortgage and the Standard Charge Terms, if any, applicable to the Mortgage.

**IN WITNESS WHEREOF** each Guarantor has executed this Guarantee under seal on

March 27, 2013  
\_\_\_\_\_  
(month) (day) (year)

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

  
\_\_\_\_\_  
Witness - RANDOLPH R. BENSON

  
\_\_\_\_\_  
[Name of Guarantor] RICHARD BIRKILL (seal)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Name of Guarantor] (seal)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
[Name of Guarantor] (seal)



**AFFIDAVIT OF EXECUTION FOR WITNESS**

CANADA ) I, RANDOLPH R. BENSON  
PROVINCE OF ALBERTA ) of Lac La Biche, Alberta  
TO WIT: ) **MAKE OATH AND SAY:**

1. THAT I was personally present and did see RICHARD BIRKILL, named in the within instrument who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
2. THAT the same was executed at Lac La Biche, in the Province of Alberta, and that I am the subscribing witness thereto.
3. THAT I know the said RICHARD BIRKILL, and he is in my belief the full age of eighteen years.

**SWORN BEFORE ME** at Lac La Biche, )  
in the Province of Alberta, )  
this 27 day of )  
March, A.D. 2013. )  
\_\_\_\_\_)  
A Commissioner for Oaths in and )  
for the Province of Alberta. )

  
\_\_\_\_\_  
RANDOLPH R. BENSON

**MARIE FISHER**  
COMMISSION EXPIRES  
APRIL 05, 20...13..



(To be completed when the guarantee is stated to be governed by the laws of the Province of Saskatchewan, the guarantor is an individual and the borrower is a farmer or owns farm assets in Saskatchewan)

**THE SASKATCHEWAN FARM SECURITY ACT  
ACKNOWLEDGEMENT OF GUARANTEE (SECTION 31)  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC**

I HEREBY CERTIFY THAT:

(1) \_\_\_\_\_ of \_\_\_\_\_  
(guarantor)

in the Province of \_\_\_\_\_, the guarantor in the guarantee dated \_\_\_\_\_  
made between ROYAL BANK OF CANADA/ROYAL TRUST CORPORATION OF CANADA *[delete the  
inapplicable wording]* and \_\_\_\_\_,  
(guarantor)

to which this certificate is attached or noted upon, appeared in person before me and acknowledged that he/she had  
executed this guarantee.

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

(3) I have not prepared any documents on behalf of the creditor. [Royal Bank of Canada][Royal Trust  
Corporation of Canada], relating to the transaction and I am not otherwise interested in the transaction.

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at \_\_\_\_\_ this \_\_\_\_\_, \_\_\_\_\_ under my hand and  
(month) (day) (year)  
seal of office.

(SEAL REQUIRED WHERE NOTARY  
PUBLIC SIGNS CERTIFICATE)

\_\_\_\_\_  
A LAWYER OR NOTARY PUBLIC IN AND FOR  
THE PROVINCE OF \_\_\_\_\_  
Being a lawyer  
-or-  
My commission expires: \_\_\_\_\_  
(dd/mm/yy)

(Guarantor to  
sign in  
presence of  
Lawyer/Notary  
Public)

**STATEMENT OF GUARANTOR**

I am the person named in the certificate \_\_\_\_\_  
Signature of Guarantor

Exhibit "M" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta  
KIANA MOZAFFARI  
Student-at-Law

## GUARANTEE AND POSTPONEMENT OF CLAIM

TO: ROYAL BANK OF CANADA

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally guarantee(s) payment on demand to Royal Bank of Canada (hereinafter called the "Bank") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by R. BIRKILL PROFESSIONAL CORPORATION (hereinafter called the "Customer") to the Bank or remaining unpaid by the Customer to the Bank, heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Bank and the Customer or by or from any agreement or dealings with any third party by which the Bank may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "Liabilities"); the liability of the undersigned hereunder being limited to the sum of \$250,000.00 Two Hundred Fifty Thousand Dollars together with interest thereon from the date of demand for payment at a rate equal to the Bank's Prime Interest Rate per annum in effect from time to time plus 5.000 Five percent per annum as well after as before default and judgment.

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE BANK AS FOLLOWS:

(1) The Bank may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Bank from the Customer and others, monies which the Customer has on deposit with the Bank, other assets of the Customer held by the Bank in safekeeping or otherwise, and other guarantees), from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Bank may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the liabilities as the Bank deems best and change any such application in whole or in part from time to time as the Bank may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Bank from the Customer or others, whether occasioned by the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the Liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Bank.

(3) The Bank shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment from the undersigned of the Liabilities. The undersigned renounce(s) to all benefits of discussion and division.

(4) The undersigned or any of them may, by notice in writing delivered to the Manager of the branch or agency of the Bank receiving this instrument, with effect from and after the date that is 90 days following the date of receipt by the Bank of such notice, determine their or his/her liability under this guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities theretofore incurred or arising even though not then matured, provided, however, that notwithstanding receipt of any such notice the Bank may fulfill any requirements of the Customer based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this guarantee; and provided further that in the event of the determination of this guarantee as to one or more of the undersigned it shall remain a continuing guarantee as to the other or others of the undersigned.

(5) All indebtedness and liability, present and future, of the customer to the undersigned or any of them are hereby assigned to the Bank and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Bank and forthwith upon receipt shall be paid over to the Bank, the

whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct. The term "Liabilities", as previously defined, for purposes of the postponement feature provided by this agreement, and this section in particular, includes any funds advanced or held at the disposal of the Customer under any line(s) of credit.

(6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the Liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.

(7) 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 Bank, and all dividends, compositions, proceeds of security valued and payments received by the Bank from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Bank or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Bank until the Bank shall have received payment in full of the Liabilities.

(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Bank or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Bank on demand with interest and accessories.

(9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Bank, and any present or future obligation to the Bank incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument.

(10) The undersigned and each of them shall be bound by any account settled between the Bank and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Bank shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Bank or remains unpaid by the Customer to the Bank.

(11) This guarantee and agreement shall be operative and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Bank shall be conclusive evidence against the undersigned and each of them that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent had been complied with, unless at the time of receipt of this instrument by the Bank each signatory thereof obtains from the Manager of the branch or agency of the Bank receiving this instrument a letter setting out the terms and conditions under which this instrument was delivered and the conditions, if any, to be observed before it becomes effective.

(12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Bank, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Bank and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Bank for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Bank at a branch or agency of the Bank.

(13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.

(14) This guarantee and agreement shall extend to and enure to the benefit of the Bank and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.

(15) Prime Interest Rate is the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

(16) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Alberta ("Jurisdiction"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Bank may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.

Applicable  
in all  
P.A.S.A.  
Provinces  
except  
Ontario.

(17) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Bank.

EXECUTED at LAK LA SICHIE AR this January 31 2012  
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

Witness

RICHARD BIRRILL

Witness

Witness

Witness

(To be completed when the guarantee is stated to be governed by the laws of the Province of Alberta, the loan is repayable in Alberta, the guarantee is executed in Alberta, the Customer carries on business in Alberta, or the guarantor is resident or owns assets in Alberta.)

(To be completed only where the guarantor is not a corporation)

THE GUARANTEES ACKNOWLEDGEMENT ACT, (ALBERTA)  
CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

(1) RICHARD BIRKILL of LAC LA BICHE in the Province of Alberta, the guarantor in the guarantee dated July 31 2012 made between ROYAL BANK OF CANADA and RICHARD BIRKILL, which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

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

Given at LAC LA BICHE this July 31 2012 under my hand and seal of office

(SEAL OF NOTARY PUBLIC)

A NOTARY PUBLIC IN AND FOR THE  
PROVINCE OF ALBERTA

STATEMENT OF GUARANTOR

(Guarantor to sign in presence of Notary Public)

I am the person named in the certificate

Signature of Guarantor

(To be completed when the guarantee is stated to be governed by the laws of the Province of Saskatchewan and the Borrower or Guarantor is a farmer in Saskatchewan, or the farmer or Guarantor owns farm assets in Saskatchewan.)

THE SASKATCHEWAN FARM SECURITY ACT ACKNOWLEDGEMENT OF GUARANTEE  
(SECTION 31)  
CERTIFICATE OF LAWYER OR NOTARY PUBLIC

I HEREBY CERTIFY THAT:

(1) of in the Province of , the guarantor in the guarantee dated made between ROYAL BANK OF CANADA and , which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he/she had executed the guarantee;

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

(3) I have not prepared any documents on behalf of the creditor, Royal Bank of Canada, relating to the transaction and I am not otherwise interested in the transaction;

(4) I acknowledge that the guarantor signed the following "Statement of Guarantor" in my presence.

Given at this under my hand and seal of office

(SEAL REQUIRED WHERE NOTARY PUBLIC SIGNS CERTIFICATE)

A LAWYER OR A NOTARY PUBLIC IN AND FOR

STATEMENT OF GUARANTOR

I am the person named in the certificate

Signature of Guarantor

Exhibit "N" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

1-05-11-01-1-0000000000

# GENERAL SECURITY AGREEMENT

E-FORM 024 (08/2015)

## 1. SECURITY INTEREST

(a) For value received, the undersigned ("Debtor"), hereby grants to ROYAL BANK OF CANADA ("RBC"), a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities and all other Investment Property now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:

- (i) all inventory of whatever kind and wherever situate;
- (ii) all equipment (other than inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all lists, records and files relating to Debtor's customers, clients and patients;
- (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts; Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (vi) all contractual rights and insurance claims;
- (vii) all patents, industrial designs, trade-marks, trade secrets and know-how including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software, and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively "Intellectual Property"); and
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "Investment Property", "proceeds", "Inventory", "accession", "Money", "Account", "financing statement" and "financing charge statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A.; the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement and the term "Investment Property", if not defined in the P.P.S.A., shall be interpreted according to its meaning in the Personal Property Security Act (Ontario). Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

## 2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to RBC (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and RBC shall be entitled to pursue full payment thereof.

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption;

(b) all Intellectual Property applications and registrations are valid and in good standing and Debtor is the owner of the applications and registrations;

(c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to RBC from time to time as owing, by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable; and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against RBC, whether in any proceeding to enforce Collateral or otherwise;



(d) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations; and

(e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to RBC will not result in a breach of any agreement to which Debtor is a party.

#### 4. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by RBC, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of RBC; provided always that, until default, Debtor may, in the ordinary course of Debtor's business; sell or lease inventory and, subject to Clause 7 hereof, use Money available to Debtor;

(b) to notify RBC promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by RBC; to apply to register all existing and future copyrights, trade-marks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;

(d) to do, execute, acknowledge and deliver such financing statements, financing charge statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by RBC of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as RBC may from time to time direct, with loss payable to RBC and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to RBC on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at RBC's request so as to indicate the Security Interest;

(i) to deliver to RBC from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,
- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as RBC may reasonably request.

**5. USE AND VERIFICATION OF COLLATERAL**

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that RBC shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner RBC may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as RBC may reasonably request in connection therewith and for such purpose to grant to RBC or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

**6. SECURITIES, INVESTMENT PROPERTY**

If Collateral at any time includes Securities, Debtor authorizes RBC to transfer the same or any part thereof into its own name or that of its nominee(s) so that RBC or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, RBC shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by RBC or its nominee(s) as such registered owner and agrees that no proxy issued by RBC to Debtor or its order as aforesaid shall thereafter be effective.

Where any Investment Property is held in or credited to an account that has been established with a securities intermediary, RBC may, at any time after default, give a notice of exclusive control to any such securities intermediary with respect to such Investment Property.

**7. COLLECTION OF DEBTS**

Before or after default under this Security Agreement, RBC may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to RBC. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for RBC and shall be turned over to RBC upon request.

**8. INCOME FROM AND INTEREST ON COLLATERAL**

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if RBC receives any such Money prior to default, RBC shall either credit the same against the indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to RBC.

**9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

(a) Whether or not default has occurred, Debtor authorizes RBC:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to RBC to be held by RBC as herein provided.

**10. DISPOSITION OF MONEY**

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by RBC pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of indebtedness in such manner as RBC deems best or, at the option of RBC, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of RBC hereunder, and any surplus shall be accounted for as required by law.

**11. EVENTS OF DEFAULT**

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and RBC;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;
- (d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor;
- (e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

h) If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to RBC to extend any credit to or enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to RBC at or prior to the time of such execution.

## 12. ACCELERATION

RBC, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if RBC considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of RBC with respect to any Indebtedness which may now or hereafter be payable on demand.

## 13. REMEDIES

(a) Upon default, RBC may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of RBC or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not RBC, and RBC shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by RBC, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to RBC. Every such Receiver may, in the discretion of RBC, be vested with all or any of the rights and powers of RBC.

(b) Upon default, RBC may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) RBC may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, RBC may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to RBC may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and RBC and in addition to any other rights RBC may have at law or in equity, RBC shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that RBC shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, RBC shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in RBC's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that RBC or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from RBC or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(f) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by RBC or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration); in operating Debtor's accounts; in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by RBC or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) RBC will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.

(h) Upon default and receiving written demand from RBC, Debtor shall take such further action as may be necessary to evidence and effect an assignment or licensing of Intellectual Property to whomever RBC directs, including to RBC. Debtor appoints any officer or director or branch manager of RBC upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

## 14. MISCELLANEOUS

(a) Debtor hereby authorizes RBC to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situated) as RBC may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the herein mentioned branch of RBC the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of RBC, whenever Indebtedness is immediately due and payable or RBC has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), RBC may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by RBC in any capacity, whether or not due, and RBC shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on RBC's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, RBC may, but shall not be obligated to,

perform any or all of such duties, and Debtor shall pay to RBC, forthwith upon written demand therefor, an amount equal to the expense incurred by RBC in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) RBC may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as RBC may see fit without prejudice to the liability of Debtor or RBC's right to hold and realize the Security Interest. Furthermore, RBC may demand, collect and sue on Collateral in either Debtor's or RBC's name, at RBC's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by RBC in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, RBC may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of RBC granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by RBC on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by RBC.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against RBC. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) RBC may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Bank or any one acting on behalf of the Bank.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(g) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other of to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of RBC, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it, at its last address known to RBC. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by RBC and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the herein mentioned branch of RBC shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by RBC, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement, and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate RBC to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to RBC.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

(i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to RBC at the time of amalgamation and any "Indebtedness" of the amalgamated company to RBC thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with RBC that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province in which the herein branch of RBC is located, as those laws may from time to time be in effect, except if such branch of RBC is located in Quebec then, this Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## 15. COPY OF AGREEMENT

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by RBC or of any verification statement with respect to any financing statement or financing change statement registered by RBC. (Applies in all P.P.S.A. Provinces except Ontario).

16. Debtor represents and warrants that the following information is accurate:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR 1692260 Alberta Ltd.			
ADDRESS OF BUSINESS DEBTOR Box 510	CITY Lac La Biche	PROVINCE AB	POSTAL CODE T0A 2G0

TRADE NAME (IF APPLICABLE)

TRADE NAME OF DEBTOR			
PRINCIPAL ADDRESS (IF DIFFERENT FROM ABOVE)	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 3 day of March, 2016.

1692260 ALBERTA LTD.

Per:  
Richard Birkill

WITNESS

Seal

WITNESS

Seal

BRANCH ADDRESS

36 York Mills Road, 4th Floor Toronto, Ontario M2P 0A4
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00001101 1 10 40 0100

SCHEDULE "A"

(ENCUMBRANCES AFFECTING COLLATERAL)

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

761416 1 50400000

SCHEDULE "B"

1. Locations of Debtor's Business Operations

PLAN 581HW  
BLOCK 1  
LOT 4 TO 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

2. Locations of Records relating to Collateral (if different from 1. above)

3. Locations of Collateral (if different from 1. above)

2016-11-16 10:44:58

SCHEDULE "C"  
(DESCRIPTION OF PROPERTY)

PLAN 581HW  
BLOCK 1  
LOTS 4 TO 6 INCLUSIVE.  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

00416 1 50406102



Exhibit "O" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

**SITE SPECIFIC SECURITY AGREEMENT**

**1. SECURITY INTEREST**

(a) For value received, the undersigned ("Debtor"), hereby grants to **ROYAL BANK OF CANADA** (the "Lender"), having a place of business at 36 York Mills Road, 4<sup>th</sup> Floor, Toronto, Ontario, M2P 0A4, a security interest (the "Security Interest") in the undertaking of Debtor and in all of Debtor's present and after acquired personal property consisting of all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) now or hereafter situate on, used in connection with or arising from the business or affairs carried on, at or about the real property located at or about 10310 & 10318 – 102 Avenue, Lac La Biche, Alberta and legally described as **Plan 9924859, Block 27, Lot 4** (the "Mortgaged Property") and in all proceeds and renewals thereof, accretions thereto and substitutions thereof (hereinafter collectively called "Collateral"), and as further general and continuing security for the Debtor's indebtedness to the Lender the Debtor hereby assigns the Collateral to the Lender and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Lender. The Security Interest hereby created shall include such assignment, mortgage and charge. Without limiting the generality of the foregoing, the Collateral includes all of the following now owned or hereafter owned or acquired by or on behalf of Debtor now or hereafter situate on, used in connection with or arising from the business or affairs carried on at the Mortgaged Property or the business or operations of the Debtor related to the Mortgaged Property:

- (i) all Inventory of whatever kind;
- (ii) all equipment (other than Inventory) of whatever kind, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor ("Debts");
- (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all lists, records and files relating to Debtor's customers, clients and patients; and
- (vi) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term in the course of the enforcement of the said Security Interest; nor shall the Security Interest render the Lender liable to observe or perform any term, covenant or condition of any agreement, documents or instrument to which the Debtor is a party or by which it is bound.

(c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the province referred to in Clause 14(s), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A.. Any reference herein to "collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

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(d) The Debtor and the Lender acknowledge and agree that the Security Interest is taken over all of the Debtor's present and after acquired personal property except: (i) Goods not ordinarily located on the Mortgaged Property; and (ii) Accounts, Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities not used in connection with, or not arising from, the Mortgaged Property or the business or affairs carried on at the Mortgaged Property.

## 2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to the Lender (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment thereof.

## 3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licenses, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by the Lender, prior to their creation or assumption;

(b) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise;

(c) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete save for Goods in transit to such locations and Inventory on lease or consignment; and all fixtures or Goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations;

(d) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of Debtor's rights in the Collateral to the Lender will not result in a breach of any agreement to which Debtor is a party; and

(e) none of the Collateral in existence on the date hereof (i) is incapable of being assigned or otherwise secured in favour of the Lender in accordance with the provisions of this Security Agreement; (ii) is incapable of further assignment or security granted by the Lender or by any Receiver (as that term is defined in section 13(b) herein) after default; or (iii) requires the consent of any third party to the security interest granted hereby, except for any consent that has already been obtained. The Debtor covenants with the Lender that no Collateral will be hereafter obtained or agreed to by the Debtor which is not secured in favour of the Lender in accordance with the provisions hereof or which requires the consent of any third party to any such security.

**4. COVENANTS OF THE DEBTOR**

So long as this Security Agreement remains in effect Debtor covenants and agrees:

(a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all Encumbrances, except for the Security Interest, licenses which are compulsory under federal or provincial legislation and those shown on Schedule "A" or hereafter approved in writing by the Lender, prior to their creation or assumption, and not to sell, exchange, transfer, assign, lease, license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease Inventory and, subject to Clause 7 hereof, use Money available to Debtor.

(b) to notify the Lender promptly of:

- (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral,
- (ii) the details of any significant acquisition of Collateral,
- (iii) the details of any claims or litigation affecting Debtor or Collateral,
- (iv) any loss or damage to Collateral,
- (v) any default by any Account Debtor in payment or other performance of its obligations with respect to Collateral, and
- (vi) the return to or repossession by Debtor of Collateral;

(c) to keep Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;

(d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

(e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure Collateral in such amounts and against such risks as would customarily be insured by a prudent owner of similar Collateral and in such additional amounts and against such additional risks as the Lender may from time to time direct, with loss payable to the Lender and Debtor, as insured, as their respective interests may appear, and to pay all premiums therefor and deliver copies of policies and evidence of renewal to the Lender on request;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;

(i) to deliver to the Lender from time to time promptly upon request:

- (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral,

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same,
- (iii) all financial statements prepared by or for Debtor regarding Debtor's business,
- (iv) all policies and certificates of insurance relating to Collateral, and
- (v) such information concerning Collateral, the Debtor and Debtor's business and affairs as the Lender may reasonably request.

#### 5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with Debtor's covenants contained herein and Clause 7 hereof, Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to all premises occupied by Debtor.

#### 6. SECURITIES

If Collateral at any time includes Securities, Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Lender or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, the Lender shall deliver promptly to Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to Debtor or its order a proxy to vote and take all action with respect to such Securities. After default, Debtor waives all rights to receive any notices or communications received by the Lender or its nominee(s) as such registered owner and agrees that no proxy issued by the Lender to Debtor or its order as aforesaid shall thereafter be effective.

#### 7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, the Lender may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to make all payments on Collateral to the Lender. Debtor acknowledges that any payments on or other proceeds of Collateral received by Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement, shall be received and held by Debtor in trust for the Lender and shall be turned over to the Lender upon request.

Debtor authorizes the Lender to take such action or proceedings in Debtor's name and at Debtor's expense as may be necessary to collect and recover any rents.

#### 8. INCOME FROM AND INTEREST ON COLLATERAL

(a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral and if the Lender receives any such Money prior to default, the Lender shall either credit the same against the Indebtedness or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any Money constituting income from or interest on Collateral and if Debtor receives any such Money without any request by it, Debtor will pay the same promptly to the Lender.

#### 9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, Debtor authorizes the Lender:

- (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and dealt with accordingly;
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than Money) or payments or distributions, Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

#### 10. DISPOSITION OF MONEY

Subject to any applicable requirements of the P.P.S.A., all Money collected or received by the Lender pursuant to or in exercise of any right it possesses with respect to Collateral shall be applied on account of Indebtedness in such manner as the Lender deems best or, at the option of the Lender, may be held unappropriated in a collateral account or released to Debtor, all without prejudice to the liability of Debtor or the rights of the Lender hereunder, and any surplus shall be accounted for as required by law.

#### 11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

(a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and the Lender;

(b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;

(c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy, the making of an assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee for Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of Debtor,

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy,

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Lender at or prior to the time of such execution.

**12. ACCELERATION**

The Lender, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if the Lender considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

**13. REMEDIES**

(a) Upon default, the Security Interest granted hereby will at the option of the Lender in its sole discretion become immediately enforceable.

(b) Upon default, the Lender may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Lender or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by Debtor wherein Collateral may be situated, maintain Collateral upon such premises, borrow Money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

(c) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (b).

(d) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.

(e) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.

(f) Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.

(g) Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(h) The Lender will give Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the P.P.S.A.

(i) Debtor appoints any officer or director or branch manager of the Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on Debtor's behalf anything that is required to assign or transfer, and to record any assignment or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

#### 14. MISCELLANEOUS

(a) Debtor hereby authorizes the Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as the Lender may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of a branch of the Lender, in the province in which the Mortgaged Property is situate, the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of the Lender, whenever Indebtedness is immediately due and payable or the Lender has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Lender may, in its sole discretion, set off against Indebtedness any and all amounts then owed to Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 15% per annum.

(d) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either Debtor's or the Lender's name, at the Lender's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.



(f) Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which Debtor is in any way liable and, subject to Clause 13(h) hereof, notice of any other action taken by the Lender.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Lender. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) The Lender may provide any financial and other information it has about Debtor, the Security Interest and the Collateral to any one acquiring or who may acquire an interest in the Security Interest or the Collateral from the Lender or any one acting on behalf of the Lender.

(i) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(j) Subject to the requirements of Clauses 13(h) and 14(k) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Lender, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Lender. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(k) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the place of business of the Lender mentioned in section 1(a) shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(l) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(m) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

(n) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(o) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.

(p) The Security Interest created hereby is intended to attach when this Security Agreement is signed by Debtor and delivered to the Lender.

(q) Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby

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- (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
- (ii) shall attach to "Collateral" owned by each company amalgamating with Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

(r) In the event that Debtor is a body corporate, it is hereby agreed that The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement. In the event that Debtor is an agricultural corporation within the meaning of The Saskatchewan Farm Security Act, Debtor agrees with the Lender that all of Part IV (other than Section 46) of that Act shall not apply to Debtor.

(s) This Security Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of Alberta, as those laws may from time to time be in effect, including where applicable, the P.P.S.A.

**15. COPY OF AGREEMENT**

(a) Debtor hereby acknowledges receipt of a copy of this Security Agreement.

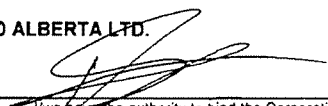
(b) Debtor waives Debtor's right to receive a copy of any financing statement or financing change statement registered by the Lender or of any verification statement with respect to any financing statement or financing change statement registered by the Lender. (Applies in all P.P.S.A. Provinces except Ontario)

16. Debtor represents and warrants that the following information is accurate:

**BUSINESS DEBTOR**

NAME OF BUSINESS DEBTOR <b>1692260 Alberta Ltd.</b>		
ADDRESS OF BUSINESS DEBTOR <b>10120 - 101 Avenue</b>	CITY, PROVINCE <b>Lac La Biche, Alberta</b>	POSTAL CODE <b>T0A 2C0</b>

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 12 day of January, 2018

**1692260 ALBERTA LTD.**  
  
 Per: \_\_\_\_\_  
I/we have the authority to bind the Corporation  
**Richard Birkill**  
 Per: \_\_\_\_\_

**SCHEDULE "A"**

(ENCUMBRANCES AFFECTING COLLATERAL)

- 13090934028 – Security Agreement in favour of Agriculture Financial Services Corporation (**to be discharged or postponed**);
- 16030432165 – Security Agreement in favour of Royal Bank of Canada relating to personal property located at 1 Avenue South, Grassland, Alberta;
- 16072932489 – Security Agreement in favour of The Bank of Nova Scotia relating to a motor vehicle.

16072932489

**SCHEDULE "B"**

**1. Locations of Debtor's Business Operations**

10120 – 101 Avenue  
Lac La Biche, Alberta

10310/10318 – 102 Avenue  
Lac La Biche, Alberta

**2. Locations of Records relating to Collateral (if different from 1. above)**

Same as above

**3. Locations of Collateral (if different from 1. above)**

Same as above

10120-101 Avenue  
Lac La Biche, Alberta  
10310/10318-102 Avenue  
Lac La Biche, Alberta

WINDWAVE  
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**SCHEDULE "C"**  
(DESCRIPTION OF PROPERTY)

• NIL

Exhibit "P" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

  
A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

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**POSTPONEMENT AND ASSIGNMENT OF CLAIM**  
RETENTION - M

**ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of 1692260 Alberta Ltd. (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPGA Provinces)

The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in the Province of Quebec)

The Undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) sous-signé(s) a(ont) expressément demandé que ce document soit rédigé en langue anglaise.

(Applicable in all PPGA Provinces except Ontario)

The Undersigned hereby waives Undersigned's right to receive a copy of any financing statement or financing change statement registered by the Bank, or of any verification statement with respect to any financing statement registered by the Bank.

Executed at Lac La Biche, Alberta, this 12 day of January, 2018.

In the presence of

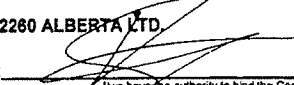
  
Witness - RANDOLPH R. BENSON

  
RICHARD BIRKILL

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

Executed at Lac La Biche, Alberta, this 12 day of January, 2018.

In the presence of

1692260 ALBERTA LTD  
Per:   
Richard Birkill  
Per: \_\_\_\_\_

BRANCH ADDRESS  
36 York Mills Road, 4<sup>th</sup> Floor  
Toronto, Ontario M2P 0A4

Insert the full name and address of Debtor (Undersigned above)  
Full name and address  
Richard Birkill of Box 510, Lac La Biche, Alberta T0A 2C0

Exhibit "Q" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law



Search ID #: Z14809579

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

**Business Debtor Search For:**

1692260 ALBERTA LTD

Exact Result(s) Only Found

**NOTE:**

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



Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

---

Registration Number: 13090934028

Registration Date: 2013-Sep-09

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2034-Sep-09 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

19081246637

Amendment

2019-Aug-12

20010839074

Amendment

2020-Jan-08

---

**Debtor(s)**

**Block**

**Status**

1 1692260 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

---

**Secured Party / Parties**

**Block**

**Status**

1 AGRICULTURE FINANCIAL SERVICES CORPORATION  
4910 - 52 STREET  
CAMROSE, AB T4V 2V4  
Phone #: 780 679 1350 Fax #: 780 679 1394

Deleted by  
19081246637

**Block**

**Status**

2 AGRICULTURE FINANCIAL SERVICES CORPORATION  
5718 56 AVENUE  
LACOMBE, AB T4L 1B1  
Phone #: 403 786 2683 Fax #: 403 782 8362  
Email: LoanCompliance.SpecialAccounts@afsc.ca

Deleted by  
20010839074

Search ID #: Z14809579

**Block**

3 AGRICULTURE FINANCIAL SERVICES CORPORATION S001943  
5718 56 AVENUE  
LACOMBE, AB T4L 1B1  
Phone #: 403 786 2683 Fax #: 403 782 8362  
Email: loancompliance.PPR@afsc.ca

**Status**

Current by  
20010839074

**Collateral: General**

**Block**

**Description**

**Status**

1 All present and after acquired personal property, including proceeds, and including but not limited to the following: Current  
16 Cabins 24'x12' and 1 52'x22' Building

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

---

Registration Number: 18010219929

Registration Date: 2018-Jan-02

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jan-02 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Amendments to Registration**

18051107034

Amendment

2018-May-11

---

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
10120 - 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

---

**Secured Party / Parties**

**Block**

**Status**

Current

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4

Search ID #: Z14809579

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR OF WHATEVER KIND, TOGETHER WITH ALL DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND RECORDS RELATING TO THE FOREGOING AND ALL RIGHTS AND INTERESTS THEREIN, PROVIDED THAT THE FOREGOING IS LIMITED TO ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY LOCATED AT, USED IN CONNECTION WITH, OR ARISING FROM OR IN RESPECT OF THE LANDS LOCATED AT 10310 & 10318 - 102 AVENUE, LAC LA BICHE, ALBERTA, AND LEGALLY DESCRIBED AS PLAN 9924859, BLOCK 27, LOT 4, AND ANY OTHER LEGAL DESCRIPTIONS BY WHICH THE LANDS MAY BE DESCRIBED WHETHER BY SUBDIVISION, CONDOMINIUMIZATION, CONSOLIDATION OR OTHERWISE) OR WHICH IS NOW OR AT ANY TIME MAY BE ANNEXED TO, COMPRISED IN, PERTAINING OR RELATING TO OR USED IN CONNECTION WITH THE LANDS AND ALL ACCESSIONS THERETO AND SUBSTITUTIONS THEREFORE; THE DEBTOR'S INTEREST IN ANY PRESENT OR HEREAFTER ACQUIRED RENTS, BOOK DEBTS AND SECURITY DEPOSITS RELATING TO THE LANDS. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	REGISTRATION NUMBER 13090934028 IN FAVOUR OF AGRICULTURE FINANCIAL SERVICES CORPORATION HAS BEEN POSTPONED IN FAVOUR OF THIS REGISTRATION PURSUANT TO A POSTPONEMENT DATED JANUARY 12, 2018.	Current By 18051107034

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 18010220011

Registration Date: 2018-Jan-02

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jan-02 23:59:59

Exact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Block**

**Status**

2 1692260 ALBERTA LTD.  
10120 - 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL INDEBTEDNESS AND LIABILITIES, PRESENT AND FUTURE, NOW OR  
HEREAFTER OWED BY 1692260 ALBERTA LTD. TO RICHARD BIRKILL AND ALL  
PROCEEDS THEREOF, ACCESSIONS THERETO AND SUBSTITUTIONS THEREFOR,  
INCLUDING WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS,  
DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS  
DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS  
THEREUNDER AND ANY AMENDMENTS THERETO).

Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 18060814029

Registration Date: 2018-Jun-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jun-08 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)****Block****Status**

1 1692260 ALBERTA LTD  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Block****Status**

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

Birth Date:  
1967-Aug-17**Secured Party / Parties****Block****Status**

1 ROYAL BANK OF CANADA  
10 YORK MILLS ROAD 3RD FLOOR  
TORONTO, ON M2P 0A2

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	1C6RR7MM7JS282671	2018	Ram 1500	MV - Motor Vehicle	Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 18060814140

Registration Date: 2018-Jun-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jun-08 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)****Block****Status**

1 1692260 ALBERTA LTD  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Block****Status**

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

Birth Date:  
1967-Aug-17**Secured Party / Parties****Block****Status**

1 ROYAL BANK OF CANADA  
10 YORK MILLS ROAD 3RD FLOOR  
TORONTO, ON M2P 0A2

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	1C6RR7MM7JS282671	2018	Ram 1500	MV - Motor Vehicle	Current



Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

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Registration Number: 18082431197

Registration Date: 2018-Aug-24

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2029-Aug-24 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 1692260 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Block**

**Status**

2 R. BIRKILL PROFESSIONAL CORPORATION  
BIX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 SERVUS CREDIT UNION LTD.  
151 KARL CLARK ROAD NW  
EDMONTON, AB T6N 1H5

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

---

Registration Number: 19061241911

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jun-12

Registration Status: Current

Expiry Date: 2023-Jun-12 23:59:59

---

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

---

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
1007 101 AVE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 1692260 ALBERTA LTD.  
10120 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

3 BIRKILL, RICHARD, SIDNEY  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Block**

**Status**

Current

4 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Search ID #: Z14809579

**Secured Party / Parties**

<b><u>Block</u></b>		<b><u>Status</u></b>
1	BODKIN, A DIVISION OF BENNINGTON FINANCIAL CORP. 102-1465 NORTH SERVICE RD E OAKVILLE, ON L6H 1A7	Current

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	PURSUANT TO LEASE AGREEMENT 50006055, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50006055 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 2013 TEREX PT-60 SKIDSTEER .	Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 19072317637

Registration Date: 2019-Jul-23

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jul-23 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
1007 101 AVE, BOX 510  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 BIRKILL, RICHARD, SIDNEY  
1007 101 AVE, BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationalleasing.com

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	2DASC1149GT017874	2016	DOUBLE A QS37 4X8 TRAILER	TR - Trailer	Current

Search ID #: Z14809579

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL TRAILER WITH DIGITAL SCREEN OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2944849, BETWEEN FIRST CAPITAL LEASING LTD., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 21051929146

Registration Date: 2021-May-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-May-19 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
1007 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 R. BIRKILL PROFESSIONAL CORPORATION  
1007 101 AVE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

3 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

Current

1 MERIDIAN ONECAP CREDIT CORP.  
SUITE 1500, 4710 KINGSWAY  
BURNABY, BC V5H 4M2  
Email: absecparties@avssystem.com

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	49ST71721JP071411	2018	TRAILS WEST SF II 15'	TR - Trailer	Current

Search ID #: Z14809579

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	TRAILER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL	Current

Search ID #: Z14809579

**Business Debtor Search For:**

1692260 ALBERTA LTD

Search ID #: Z14809579

Date of Search: 2022-Mar-22

Time of Search: 08:38:34

Registration Number: 22032134522

Registration Date: 2022-Mar-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2031-Mar-21 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

22032207344

Amendment

2022-Mar-22

**Debtor(s)**

**Block**

**Status**

1 1692260 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4  
Email: TORBSCPR@RBC.COM

Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	2DASC1149GT017874	2016	DOUBLE A QS37 4X8 TRAILER	TR - Trailer	Current
2	49ST71721JP071411	2018	TRAILS WEST SF II 15	TR - Trailer	Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY THAT IS LOCATED AT 1 AVENUE SOUTH, GRASSLAND ALBERTA, T0A 1V0, LEGALLY DESCRIBED AS PLAN 581HW, BLOCK 1; LOTS 4 TO 6 INCLUSIVE

Current



**Search ID #:** Z14809579

2 All present and after acquired personal property. Current

**Particulars**

**Block**    **Additional Information**

**Status**

1 Block 1 of this registration is a re-registration of registration 16030432165 / 21020204178 / 210211935 pursuant to section 35(8) of the Personal Property Security Act Current By 22032207344

Result Complete

Exhibit "R" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

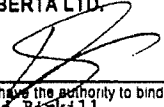
A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

**COMMERCIAL MORTGAGE  
LAND TITLES ACT (ALBERTA)**

1.	NAME AND ADDRESS OF MORTGAGOR (THE "MORTGAGOR") 1692260 ALBERTA LTD. of 10120 - 101 Avenue, Lac La Biche, Alberta T0A 2C0
2.	NAME AND ADDRESS OF ANY CORPORATE GUARANTOR (THE "GUARANTOR") (if applicable) N/A
3.	MAXIMUM PRINCIPAL AMOUNT FOR WHICH GUARANTOR IS LIABLE (if applicable). (If not completed, the Guarantor shall be liable for the full amount as indicated in the Guarantee provisions of the Mortgage ) N/A
4.	NAME AND ADDRESS OF MORTGAGEE (THE "MORTGAGEE") Royal Bank of Canada of 36 York Mills Road, 4 <sup>th</sup> Floor, Toronto, Ontario M2P 0A4
5.	LEGAL DESCRIPTION OF LANDS (THE "LANDS")  PLAN 9924859 BLOCK 27 LOT 4 EXCEPTING THEREOUT ALL MINES AND MINERALS
6.	PAYMENT PROVISIONS
(a)	Principal Amount: \$1,576,800.00
(b)	Mortgage Interest Rate: 18% per annum, calculated semi-annually not in advance
(c)	Interest Adjustment Date: February 1, 2018
(d)	Instalment Date: 1 <sup>st</sup> day of each and every month in each and every year until the Maturity Date
(e)	First Instalment Date: March 1, 2018
(f)	Maturity Date: February 1, 2023
(g)	Instalment Amount: \$23,121.88
7.	STANDARD MORTGAGE TERMS This Mortgage consists of the Mortgagee's set of Standard Form Mortgage Terms ("SMT") filed at the South Alberta Land Registration District as Instrument number 031 040 055 and at the North Alberta Land Registration District as Instrument number 032 043 007 together with all schedules thereto and is subject to the terms contained in the SMT as varied by any deletions from, or amendments or additions to the terms of the SMT as set out herein.

44-24248-6060-81-01

8. DELETED, AMENDED OR ADDED TERMS See attached Schedule "A".
9. ACKNOWLEDGEMENTS The Mortgagor hereby acknowledges as follows: (a) That the Mortgagor understands the nature of the SMT referred to in clause 7 above and the statements made in the said clause; (b) That the Mortgagor has been given a copy of the SMT; (c) That the Mortgagor is the registered owner of the Mortgaged Premises; and (d) For the better securing to the Mortgagee of the repayment in the manner set out in this Mortgage of the Principal Amount and interest and all other indebtedness and obligations of the Mortgagor secured by this Mortgage, the Mortgagor hereby mortgages and charges to the Mortgagee all the Mortgagor's estate and interest in the Mortgaged Premises.
10. EXECUTION BY MORTGAGOR The Mortgagor has executed this Mortgage on <u>10</u> day of January, 2018.  1892260 ALBERTA LTD. c/s Per:  I/we have the authority to bind the Corporation Richard Birkill Per: _____

*Jeal*

2018/09/05 4 542414

**SCHEDULE "A"**

**ADDITIONAL TERMS**

The following changes and/or deletions are made to the Standard Mortgage Terms:

1. The reference to three (3) days contained in the last sentence of the paragraph following paragraph D of paragraph 9(d)(i) is hereby deleted and replaced with thirty (30) days.
2. The following paragraph is added as Paragraph 9(d)(ii):

“(iii) In the event of a loss, the Mortgagor shall immediately advise the Mortgagee and shall not undertake any repairs or renovations without the Mortgagee’s consent. The Mortgagee reserves the right to apply any insurance proceeds against the Loan, whether due or not, or to the full or partial payment of the reconstruction of the improvements erected on the property, without reducing, in either case, the Mortgagee’s rights hereunder.

The insurance policy(ies) will be maintained with insurers licensed to do business in Canada and rated at least “A-Minus” by AM Best or Standard and Poors.”
3. The following is added to Paragraph 9(e):

“The Mortgagor covenants to complete the mandatory repairs/ improvements specified in Schedule “B” of the CMHC Special Conditions dated December 29, 2017. Such repairs are to be completed by December 31, 2018, and the Mortgagor shall provide to the Mortgagee documentation to support the completion of the mandatory repairs.”
4. Paragraph 9(g) is hereby deleted in its entirety and replaced with the following:

“(g) **Alterations:** The Mortgagor shall not make, or permit to be made, any alterations or additions to the Mortgaged Premises without the prior written consent of the Mortgagee; and the Mortgagor shall not use the Mortgaged Premises or permit them to be used for any purpose other than accommodation for purposes of a principal residence, and shall not use or permit them to be used for any purpose of any business, trade or manufacture of any description or as a hotel; the Mortgagee or agent of the Mortgagee or agent of CMHC may, at any time, enter upon the Mortgaged Premises to inspect the lands and buildings thereon.”
5. The following paragraph is added as Paragraph 9(s):

“(s) **Access to the Lands:** The Mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation (“CMHC”) may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the property to inspect the property and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC (or their respective agents) may enter upon the property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the contract rate in the mortgage, shall be a charge upon the property. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the property or buildings.”
6. Paragraph 11 is hereby deleted in its entirety and replaced with the following:

**SALE BY MORTGAGOR**

In the event the Mortgagor:

1  
2  
3  
4  
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- (a) Sells, conveys, transfers, exchanges, assigns or otherwise disposes of, or enters into any agreement for sale, transfer, exchange or other disposition of the Mortgaged Premises, or otherwise parts with possession of the Mortgaged Premises, to a purchaser, grantee or transferee not approved, in writing by the Mortgagee, in the Mortgagee's sole discretion, whether for valuable or nominal consideration; or
- (b) Issues or sells, or permits the assignment or transfer by any means, including a transfer or deemed transfer by operation of law, of the legal or beneficial interest in all or any part of the Mortgagor's capital stock, whether for valuable or nominal consideration, resulting in a change of the Mortgagor's control, unless the entire transaction or series of transactions resulting in the change of control have been approved, in writing, by the Mortgagee, in the Mortgagee's sole discretion,

then, at the Mortgagee's option, the Mortgagor shall repay the unpaid balance of the loan, all accrued interest thereon, any other monies owing hereunder, plus a prepayment indemnity.

7. The following is added as Clause #11A:

**\*11A. SALE OF INDIVIDUAL UNITS**

The Mortgagor agrees, and it is a condition of the loan secured by this mortgage that no sale of individual units will be permitted. Any attempt to sell individual units without the Mortgagee's consent shall, at the sole discretion of the Mortgagee, be deemed a breach of this mortgage and all monies owing under this mortgage, including principal and interest, shall, at the option of the Mortgagee, immediately become due and payable."

8. The following is added as Clause #11B:

**\*11B. HOTEL CONVERSION**

The Mortgaged Premises are to be used as apartment housing occupied by persons for the purposes of a principal residence. If the Mortgaged Premises are converted to any other use, including without restriction, a hotel or apartment hotel, the Mortgagee at its option, may declare such change in use to be a default such that the balance of the sum secured hereby will become immediately due and payable."

9. Paragraph 20 is hereby amended by adding to end of that paragraph the words "on the terms and conditions set out in paragraph 11 hereof."

10. Paragraph 21 is hereby amended by adding to the end of paragraph 21(b) "The Mortgagee may distraint for arrears of instalments and for payment arising under or pursuant to this clause."

11. Paragraph 21 is hereby amended by adding subparagraph (d) as follows:

"(d) The Mortgagor agrees to advise the Condominium Corporation to send all notice to the Mortgagee and to immediately notify the Mortgagee of any breaches by the Condominium Corporation of which the Mortgagor becomes aware, in order that the Mortgagee may be kept fully informed. The Mortgagee agrees to provide to the Mortgagor immediately upon the Mortgagor's receipt thereof, copies of all financial and operating statements provided to the Mortgagor by the Condominium Corporation, including any reports on the reserves maintained by the Condominium Corporation."

12. Paragraph 22 is amended by adding subparagraph (a)(vi) as follows:

"(vi) carry on or concur in carrying on the business of the Mortgagor on and from the Mortgaged Premises and for that purpose borrow money on the security of the Mortgaged Premises, whether in priority to the monies secured by this Mortgage or otherwise."

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13. Paragraph 25 is hereby amended by adding the following paragraph:  

"The Mortgagor consents (such consent to remain in force so long as any monies remain outstanding under the Mortgage) to any governmental body or authority or other person having information relating to Goods and Services Tax ("GST") or any other amount required to be paid by the Mortgagor, where the failure to pay such amount could give rise to a claim ranking or capable or ranking in priority to the Mortgage or any other agreement securing monies owing pursuant to the Mortgage, to release such information to the Mortgagee at any time upon the Mortgagee's request. The Mortgagor agrees to provide signed third party authorizations in support of the foregoing at any time upon the Mortgagee's request, prior or after disbursement of the monies secured by the Mortgage."
14. Paragraph 27 is hereby amended by adding the following paragraph:  

"The Mortgagor authorizes all government ministries, boards or commissions having jurisdiction over residential housing to release to the Mortgagee or the Mortgagee's solicitors any and all information contained in their files."
15. The following is added to the Standard Mortgage Terms immediately after the last paragraph in Clause 30:  

"The Mortgagee or agent of the Mortgagee or agent of Canada Mortgage and Housing Corporation (hereinafter called "CMHC") may, at any time, before and after default, and for any purpose deemed necessary by the Mortgagee or CMHC, enter upon the said lands to inspect the said lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Mortgagee or CMHC or their respective agents may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Mortgagee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, CMHC or their respective agents to be in possession, management or control of the said lands and buildings."



FORM \_\_\_\_\_

(Rev. Jan-03)

(Alberta)

**ALBERTA  
SET OF STANDARD FORM  
MORTGAGE TERMS  
CONVENTIONAL AND INSURED COMMERCIAL MORTGAGE**

Registration No. North \_\_\_\_\_ Dated \_\_\_\_\_, 2003

Registration No. South \_\_\_\_\_ Dated \_\_\_\_\_, 2003

The following set of standard form mortgage terms shall be deemed to be included in every mortgage in which it is referred to by its filing number, except to the extent that the provisions of this set of standard form mortgage terms are varied by any deletions from or amendments or additions to the terms thereof by the Schedule (as defined herein).

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1. DEFINITIONS

Capitalized terms used herein shall, unless otherwise defined herein, have the meaning ascribed thereto in the Schedule (as defined herein).

"Condominium Corporation" means the condominium corporation created by the registration pursuant to the *Condominium Property Act* of a condominium plan in which a portion of the lands described in the condominium plan are the Mortgaged Premises.

"Deferred Interest" means, in the case of a variable rate mortgage, the amount by which (a) the interest that has accrued on the portion of the Principal Amount then outstanding from one payment date under this Mortgage to the next payment date under this Mortgage exceeds (b) the Instalment Amount or such other amount as may be agreed to between the Mortgagee and the Mortgagor from time to time.

"First Instalment Date" means that date described as the First Instalment Date in the Schedule.

"Guarantor" means the party described as the Guarantor in the Schedule.

"Instalment Amount" means that amount described as the Instalment Amount in the Schedule or such other amount as may be agreed upon by the Mortgagor and Mortgagee from time to time as the regular instalment to be paid under this Mortgage.

"Instalment Dates" means those dates described as the Instalment Dates in the Schedule.

"Interest Adjustment Date" means that date described as the Interest Adjustment Date in the Schedule.

"Lands" means those lands and premises described as the Lands in the Schedule.

"Maturity Date" means that date described as the Maturity Date in the Schedule.

"Mortgage" means the commercial mortgage in which this set of standard form mortgage terms is deemed to be included pursuant to the *Land Titles Act* and includes any schedules attached to it, any additional provisions contained in it, any renewals or extensions thereof, and any amendments thereto, and includes this set of standard form mortgage terms.

"Mortgage Interest Rate" means that rate described as the Mortgage Interest Rate in the Schedule.

"Mortgagee" means the party described as the Mortgagee in the Schedule.

"Mortgagor" means the party described as the Mortgagor in the Schedule.

"Prime Rate" means the annual rate of interest announced from time to time by Royal Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

"Principal Amount" means that amount described as the Principal Amount in the Schedule.

"Schedule" means that form of commercial mortgage which is executed by the Mortgagor and Guarantor, if applicable, and which references this set of standard form mortgage terms and includes any schedules or additional provisions attached thereto.

"Term" means the time period from the Interest Adjustment Date to the Maturity Date.

## 2. MORTGAGE LOAN

In consideration of the Principal Amount paid by Mortgagee to the Mortgagor (the receipt whereof is hereby acknowledged), and upon execution and delivery of the Schedule, the Mortgagor does grant and mortgage unto the Mortgagee the Lands TOGETHER WITH all buildings and erections thereon and every right, privilege, easement, advantage and appurtenance belonging to the same or in any way appertaining thereto (hereinafter called the "Mortgaged Premises"), TO HAVE AND TO HOLD the Mortgaged Premises UNTO AND TO USE OF the Mortgagee, its successors and assigns, upon the terms and conditions set out herein and in the Schedule.

## 3. INTEREST RATE

### (a) Fixed Rate Mortgages

If the Schedule indicates that the Mortgage Interest Rate is a fixed rate of interest, then the amount of principal money advanced on this Mortgage is the Principal Amount and the rate of interest chargeable thereon is the Mortgage Interest Rate, calculated half-yearly not in advance, as well after as before maturity of this Mortgage, and both before and after default and judgment, until paid.

### (b) Variable Rate Mortgages

If the Schedule indicates that the Mortgage Interest Rate is a variable rate of interest, then the amount of principal money advanced on this Mortgage is the Principal Amount and the rate of interest chargeable thereon is the Mortgage Interest Rate, payable monthly and calculated monthly not in advance, as well after as before maturity of this Mortgage, and both before and after default and judgment, until paid. For variable rate mortgages, the Mortgage Interest Rate will vary automatically, without notice to the Mortgagor, each time there is a change in the Prime Rate. The Mortgage Interest Rate will always be the Prime Rate plus the margin set out in the Schedule, payable monthly and calculated monthly not in advance.

In the event that it may be necessary at any time for the Mortgagee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Mortgagee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate.

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4. **REPAYMENT**

(a) **Fixed Rate Mortgages and Variable Rate Mortgages with Blended Payments**

If the Schedule indicates that the Mortgage Interest Rate is a fixed rate of interest, or if it indicates that the Mortgage Interest Rate is a variable rate of interest but blended payments are applicable, then the Mortgagor shall pay to the Mortgagee at the office or branch of the Mortgagee to be designated from time to time, in lawful money of Canada:

- (i) the Principal Amount with interest thereon at the Mortgage Interest Rate calculated as aforesaid, until paid, as follows:
  - A. interest at the Mortgage Interest Rate on the portion of the Principal Amount from time to time advanced, computed from the respective dates of such advances until the Interest Adjustment Date, shall become due and payable and be paid on the Interest Adjustment Date. The Mortgagee may require the payment of interest at the Mortgage Interest Rate on the portion of the Principal Amount advanced from time to time, computed from the respective dates of such advances, to become due and payable and be paid in monthly instalments on the same day of the month next following the first advance, and on the same day of each and every month thereafter and the balance, if any, of the aforesaid interest on the Principal Amount advanced shall become due and payable and be paid on the Interest Adjustment Date. At the option of the Mortgagee, interest so due and payable may be deducted from such advances; and
  - B. thereafter, the Principal Amount, together with interest at the Mortgage Interest Rate, computed from the Interest Adjustment Date, shall become due and payable and be paid in consecutive monthly instalments each in the amount of the Instalment Amount (which instalments include principal and interest) on the First Instalment Date and on the same day of each and every month in each and every year thereafter to and including the Maturity Date and the balance, if any, of the Principal Amount and interest thereon shall become due and payable and be paid on the Maturity Date;
- (ii) all amounts that may be due or become due by the Mortgagor to the Mortgagee under the provisions of this Mortgage in accordance with such provisions or, in the absence of any stipulations as to the time for payment in such provisions, on demand; and
- (iii) taxes in accordance with Section 9(b) of this Mortgage.

(b) **Variable Rate Mortgages with Interest Only Payments**

If the Schedule indicates that the Mortgage Interest Rate is a variable rate of interest with interest only payments, then the Mortgagor shall pay to the Mortgagee at the office or branch of the Mortgagee to be designated from time to time, in lawful money of Canada:

- (i) the Principal Amount with interest thereon at the Mortgage Interest Rate calculated as aforesaid, until paid, as follows:
  - A. interest at the Mortgage Interest Rate on the portion of the Principal Amount from time to time advanced, computed from the respective dates of such advances until the Interest Adjustment Date, shall become due and payable and be paid on the Interest Adjustment Date. The Mortgagee may require the payment of interest at the Mortgage Interest Rate on the portion of the Principal Amount

advanced from time to time, computed from the respective dates of such advances, to become due and payable and be paid in monthly instalments on the same day of the month next following the first advance, and on the same day of each and every month thereafter and the balance, if any, of the aforesaid interest on the Principal Amount advanced shall become due and payable and be paid on the Interest Adjustment Date. At the option of the Mortgagee, interest so due and payable may be deducted from such advances; and

- B. thereafter, interest at the Mortgage Interest Rate, computed from the Interest Adjustment Date, shall become due and payable and be paid in consecutive monthly instalments on the First Instalment Date and on the same day of each and every month in each and every year thereafter to and including the Maturity Date and the balance, if any, of the Principal Amount and interest thereon shall become due and payable and be paid on the Maturity Date;
- (ii) all amounts that may be due or become due by the Mortgagor to the Mortgagee under the provisions of this Mortgage in accordance with such provisions or, in the absence of any stipulations as to the time for payment in such provisions, on demand; and
- (iii) taxes in accordance with Section 9(b) of this Mortgage.

#### 5. COMPOUND INTEREST

It is agreed that if default is made in payment of any sum to become due for interest at any time appointed for payment thereof, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the Mortgage Interest Rate, and in case the interest and compound interest are not paid on the next interest payment date after the date of default a rest shall be made, and compound interest at the Mortgage Interest Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Mortgaged Premises and shall be secured by this Mortgage.

#### 6. APPLICATION OF PAYMENTS

##### (a) Fixed Rate Mortgages

If the Mortgage Interest Rate is a fixed interest rate, the instalments payable under this Mortgage are to be applied first to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of this Mortgage, including tax accounts, if any; secondly, to interest calculated as provided in this Mortgage on the portion of the Principal Amount from time to time outstanding; and, lastly, the balance of the instalments shall be applied on account of the portion of the Principal Amount then outstanding; except, however, in the case of default by the Mortgagor, the Mortgagee may apply any payments received during the period of default in whatever order it may elect as between the Principal Amount, interest, Taxes, repairs, insurance premiums or any other amounts payable by the Mortgagor under this Mortgage.

##### (b) Variable Rate Mortgages

If the Mortgage Interest Rate is a variable interest rate, the instalments payable under this Mortgage are to be applied first to bring into good standing any accounts in which funds are held pending payment to third parties or amounts are debited in respect of this Mortgage, including tax accounts, if any; secondly, to interest at the Mortgage Interest

Rate calculated as provided in this Mortgage on the Principal Amount from time to time outstanding; thirdly, to Deferred Interest and interest thereon calculated in accordance with this Mortgage; and, fourthly, to the reduction of the portion of the Principal Amount then outstanding; except, however, in the case of default by the Mortgagor, the Mortgagee may apply any payments received during the period in default in whatever order it may elect as between the Principal Amount, interest, Taxes, repairs, insurance premiums or any other amounts payable by the Mortgagor under this Mortgage.

The Mortgagor and Mortgagee acknowledge that although the amount of each Instalment Amount to be paid by the Mortgagor under this Mortgage is fixed under the terms of this Mortgage, the respective portions of interest and principal which comprise each instalment may vary as the Prime Rate varies and, therefore, the Mortgage Interest Rate payable under this Mortgage varies.

If the Prime Rate declines, a larger portion of any instalment will be applied against the Principal Amount then outstanding, thus accelerating the reduction of the Principal Amount outstanding under this Mortgage. Conversely, if the Prime Rate increases, a larger portion of any instalment will be applied against accrued interest, thus delaying the reduction of the Principal Amount outstanding under this Mortgage. In the event that any instalment is not sufficient to pay all accrued interest on the date of such payment, the Deferred Interest will form a charge on the Mortgaged Premises and shall bear interest at the Mortgage Interest Rate payable monthly and calculated monthly, not in advance. If all accrued interest is not paid on the next payment date, the amount of interest that remains unpaid will bear interest at the Mortgage Interest Rate and the unpaid interest will be added to the Deferred Interest and so on.

Alternatively, if the Mortgage is not in default and the Instalment Amount is not sufficient to pay all accrued interest on the portion of the Principal Amount then outstanding, the Mortgagor agrees that the Mortgagee may, without notice to the Mortgagor, increase the amount of the instalment payment in increments of one hundred dollars (\$100) until the instalment payment amount is sufficient to pay all interest that has accrued from the last Instalment Date up to and including the date of the payment. The amount so paid shall become the new Instalment Amount until such time as the Mortgagor and Mortgagee may agree to a different instalment payment amount or the instalment payment amount is again increased in accordance with the terms hereof.

## 7. PREPAYMENT

The Mortgagor acknowledges and agrees that there is no privilege or right vested in the Mortgagor to prepay or to accelerate prepayment of the monies advanced under this Mortgage to a date or dates earlier than the Maturity Date.

The Mortgagor hereby waives any right of prepayment that the Mortgagor may acquire pursuant to Section 10 of the *Interest Act* (Canada), or any similar or successor sections or amendments thereto or any other statutory provision whether federal or provincial providing for the payment of the principal and accrued interest secured by this Mortgage prior to or otherwise than in accordance with the terms regarding the payment of principal and interest contained in this Mortgage. The Mortgagor covenants and agrees to be bound by and to observe such terms notwithstanding any statutory right of prepayment which now exists or which may exist in the future. In addition, and without limiting the generality of the foregoing waiver, the date of this Mortgage for the purpose of any statutory right of prepayment shall be deemed to be the Interest Adjustment Date.

The *Interest Act* (Canada) permits the prepayment of mortgages with three (3) months further interest once five (5) years have elapsed from the date of the Mortgage. For the purpose of this statutory right of prepayment only, the Mortgagor agrees that the date of this Mortgage if so

renewed or extended will be the renewal or extension date stipulated in the mortgage renewal or extension agreement.

8. **FIXTURES**

The Mortgagor covenants and agrees that all erections and improvements, fixed or otherwise, now on or after the date of this Mortgage put on the Mortgaged Premises, including but without limiting the generality of the foregoing, all buildings, fences, heating, piping, plumbing, aerials, air-conditioning, ventilating, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all apparatus and equipment appurtenant thereto, and all improvements, fixed or otherwise and even though not attached otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and form part of the Mortgaged Premises and shall be a portion of the security for the amounts secured by this Mortgage.

9. **TAXES AND COVENANTS**

The Mortgagor covenants and agrees with the Mortgagee that:

- (a) **Covenant to Pay and Quiet Enjoyment on Default:** The Mortgagor will pay the Principal Amount and interest and all other monies payable under this Mortgage in the manner set out in this Mortgage and on default the Mortgagee may enter and have quiet enjoyment of the Mortgaged Premises.
- (b) **Realty Taxes:** In connection with taxes, rates and assessments ("Taxes") chargeable against or upon the Mortgaged Premises,
  - (i) The Mortgagee may deduct from the final advance of the Principal Amount an amount sufficient to pay the Taxes that have become or will become due and payable on that date or the Interest Adjustment Date (as the case may be);
  - (ii) After the Interest Adjustment Date, the Mortgagor shall pay to the Mortgagee in monthly instalments on the Instalment Dates sums sufficient to enable the Mortgagee to pay the whole amount of Taxes on or before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the next instalment thereof;
  - (iii) Where the period between the Interest Adjustment Date and the next following annual due date or first instalment date for payment of Taxes is less than one (1) year, the Mortgagor shall pay to the Mortgagee in equal monthly instalments, during such period and during the next succeeding twelve (12) month period, an amount estimated by the Mortgagee to be sufficient to pay, on or before the expiration of such succeeding twelve (12) month period, all Taxes which shall become due and payable during the two (2) periods and during the balance of the year in which such succeeding twelve (12) month period expires; and the Mortgagor shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;
  - (iv) Except as provided in the last preceding clause, the Mortgagor shall, in each and every month, pay to the Mortgagee one-twelfth (1/12) of the amount (as estimated by the Mortgagee) of the Taxes next becoming due and payable; and shall also pay to the Mortgagee on demand the amount, if any, by which the actual Taxes exceed such estimated amount;

- (v) The Mortgagee may allow the Mortgagor interest on any balances standing in the mortgage account from time to time to the credit of the Mortgagor for payment of Taxes, at a rate per annum, and at such times, as the Mortgagee may determine in its sole discretion, and the Mortgagor shall be charged interest, at the Mortgage Interest Rate, on the debit balance, if any, for Taxes in the mortgage account outstanding after payment of Taxes by the Mortgagee, until such debit balance is fully repaid;
- (vi) The Mortgagee agrees to apply such deduction and payments on the Taxes chargeable against the Mortgaged Premises so long as the Mortgagor is not in default under any covenant, proviso or agreement contained herein, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided, however, that if before any sum or sums so paid to the Mortgagee shall have been so applied, there shall be default by the Mortgagor in respect to any payment of principal or interest as herein provided, the Mortgagee may apply such sum or sums in or towards payment of the principal and/or interest in default. The Mortgagor further covenants and agrees to transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of Taxes, forthwith after the receipt of same by the Mortgagor; and
- (vii) The Mortgagor shall reimburse the Mortgagee, on demand, for any fees paid or charges incurred by the Mortgagee to a municipality or other tax authority from time to time in connection with the administration of the tax account, including any fees or charges for the obtaining of information or searches or certificates in respect thereof, or the payment of taxes in any manner and the Mortgagor authorizes the Mortgagee to deduct the amount of such fees or charges from the tax account.

Notwithstanding the provisions set out in this subsection, at the option of the Mortgagee, the Mortgagor will pay all Taxes as and when the same become due and payable and will provide the Mortgagee with receipts confirming same as the Mortgagee may require.

- (c) **Good Title and Right to Convey:** The Mortgagor has a good title in fee simple to the Mortgaged Premises and the right to convey the Mortgaged Premises as hereby conveyed, and covenants that the Mortgaged Premises are free from encumbrances, and that the Mortgagor will procure such further assurances as may reasonably be required.

- (d) **Insurance:**

(i) **General Provisions**

The Mortgagor will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee each and every building including all fixed improvements and chattels now on the Mortgaged Premises and which may hereafter be erected thereon, both during erection and thereafter, against loss or damage by an "all risks" coverage for perils of fire and such other perils as the Mortgagee may require, including at least loss or damage by explosion, falling object, impact by vehicle or aircraft, rupture of heating, plumbing or air conditioning systems, smoke, riot or civil commotion, vandalism and malicious act, windstorm and hail, to the full extent of their replacement cost on a stated amount replacement cost basis of each and every such building and the amount of the Mortgagee's interest therein, in lawful money of Canada. Without limiting the foregoing such policy or policies shall include the following insurance coverage:

- A. All Risks coverage and malicious damage coverage, including earthquake, flood, by-law contravention and leakage from fire protection equipment on a full

replacement cost basis and with the same or adjacent site clause deleted and with loss under each policy payable to the Mortgagee pursuant to Insurance Bureau of Canada approved mortgage clause insurance endorsement, with preference in its favour over any claim of any other person; permission should be granted for the improvements to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy;

- B. Comprehensive broad form boiler insurance including fired and unfired pressure vessels insurance, air-conditioning equipment and miscellaneous electrical apparatus, if any, including repair, replacement and by-law contravention and including use and occupancy coverage, for an amount satisfactory to the Mortgagee with loss payable to the Mortgagee by way of an Insurance Bureau of Canada Boiler and Machinery clause;
- C. Comprehensive general liability insurance for bodily injury and/or death or property damage in or about the Mortgaged Premises, such insurance to afford protection in such amounts as the Mortgagee may from time to time reasonably require, provided that if the Mortgaged Premises are to be used for commercial purposes such insurance shall be in an amount not less than five million dollars per occurrence written on an inclusive basis;
- D. Business interruption insurance or rental insurance coverage acceptable to the Mortgagee for an indemnity period of not less than twelve (12) months and with coverage of not less than 100% of the gross annual rentals from the Mortgaged Premises, based on the greater of actual and projected rentals.

All cancellation clauses in the above referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide for at least thirty (30) days prior notice to the Mortgagee of such cancellation. Such policies shall also provide that the Mortgagee shall receive at least thirty (30) days prior notice of any material alteration of such policy. All such insurance coverage shall be placed and kept in force with an insurance company or companies duly authorized to carry on business as such and under policies satisfactory in form to the Mortgagee. The Mortgagor shall direct its insurer(s) to provide certified copies of the policies of insurance to the Mortgagee. The Mortgagor will pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least three (3) days prior to the expiration of any policy of insurance.

Each policy of insurance shall provide that every loss, if any, shall be payable to the Mortgagee as its interest may appear in accordance with this Mortgage, subject to the Insurance Bureau of Canada approved mortgage clause. The Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policy or policies of insurance and all renewal receipts thereto appertaining. No insurance will be carried on improvements or buildings on the Mortgaged Premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph. The Mortgagor will not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the policy or policies of insurance, as aforesaid, may be voided or become void. In the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights under this Mortgage, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest. Any amount paid by the Mortgagee shall be added to the debt secured by this Mortgage and shall bear interest at the Mortgage Interest Rate from the time of such payment and shall be payable on the next Instalment Date.

Forthwith on the happening of any loss or damage, the Mortgagor will furnish, at his own expense, all necessary proofs and do all necessary acts to enable the Mortgagee to



obtain payment of the insurance monies. The production of this Mortgage shall be sufficient authority for such insurance company to pay every such loss to the Mortgagee, and such insurance company is hereby directed thereupon to pay the same to the Mortgagee. Any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Mortgaged Premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Mortgage debt or any part thereof whether due or not then due.

(ii) **Condominium Provisions**

If the Mortgaged Premises are part of a condominium the insurance provisions set out in subparagraph (i) above do not apply and the following will apply to this Mortgage:

The Mortgagor or the Condominium Corporation (as herein defined) or both of them will forthwith insure and during the continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by an "all risk" coverage for perils, fire, lightning, earthquake, flood, by-law contravention, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Mortgagee might require to the full extent of their replacement cost with a stated amount co-insurance clause in lawful money of Canada, each and every building located on the lands described in the condominium plan and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to and all other risks, hazards and perils of any nature or kind which the Mortgagee might require depending on the nature of the Mortgaged Premises or the use thereof, with a company or companies approved by the Mortgagee. The improvements within the Mortgaged Premises must be insured on an "all risks" basis for full replacement costs. The policies must contain the Insurance Bureau of Canada approved mortgage clause with the loss payable to the Mortgagee as its interest may appear and the Mortgagor and the Condominium Corporation will forthwith assign, transfer and deliver unto the Mortgagee the policy or policies of insurance and receipts thereto appertaining and if the Mortgagor or Condominium Corporation or both of them shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policy or policies and receipts or produce to the Mortgagee at least fifteen (15) days before the termination of any insurance, evidence of renewal thereof, the Mortgagee shall be entitled but shall not be obligated to insure the said buildings or any of them; and the Mortgagor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies, of insurance and, without limiting the generality of the obligation of the Mortgagor to observe and perform all the duties and obligations imposed on the Mortgagor by the *Condominium Property Act* and by the condominium plan and by-laws of the Condominium Corporation as hereinafter provided, shall comply with the insurance provisions of the condominium plan; and the Mortgagor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

- (e) **Repair and Waste:** The Mortgagor will keep the Mortgaged Premises, including any buildings and improvements now or hereafter situated thereon, in good condition and repair. If the Mortgaged Premises, including the buildings or improvements situated thereon, are not kept in good condition and repair or any act of waste is committed thereon by the Mortgagor or any other person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor defaults after any part of the Principal Amount has been advanced, the Mortgagee may enter and complete, repair or manage the Mortgaged Premises and recover all reasonable costs with interest as part of this Mortgage.

- (f) **Liens and Construction:** Upon the registration of any lien against the Mortgaged Premises, or in the event of any buildings being erected thereon being allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the Principal Amount, together with interest thereon at the Mortgage Interest Rate, and all other amounts hereby secured shall, at the option of the Mortgagee, forthwith become due and payable. In the event any lien is registered against the Mortgaged Premises, the Mortgagee shall have the right, but not the obligation, to pay such amounts as may be required to vacate the lien. Any amount so paid by the Mortgagee, together with all costs, charges and expenses incurred by the Mortgagee in connection therewith, including all legal costs, on a solicitor and its own client basis, shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to this Mortgage, and shall be forthwith payable on demand.
- (g) **Alterations:** The Mortgagor will not make nor permit any demolition, alterations, or additions to the Mortgaged Premises without the prior written consent of the Mortgagee, and will not use or permit the use of the Lands, buildings and improvements on the Mortgaged Premises for a purpose other than as disclosed to the Mortgagee on or before the date of this Mortgage without the prior written consent of the Mortgagee.
- (h) **Parking Area:** The Mortgagor covenants and agrees that if a parking area forms part of the Mortgaged Premises, the parking area shall not be used for any purpose other than the parking of motor vehicles on a daily basis, except with the prior written approval of the Mortgagee.
- (i) **Acceleration on Default:** In default of payment of any of the Principal Amount at the time appointed for payment thereof, or on breach of any covenant or proviso in this Mortgage, or if waste be committed by the Mortgagor or any other person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor makes an assignment for the benefit of creditors or a proposal under the *Bankruptcy and Insolvency Act*, or *Companies' Creditors Arrangement Act* or if a bankruptcy petition is presented against the Mortgagor, or if the Mortgagor allows a creditor to enter judgment against the Mortgagor by reason of the Mortgagor's inability to pay a debt or debts, the whole of the Principal Amount remaining unpaid shall, at the option of the Mortgagee, become due and payable, and if the Mortgagee waives its right to call in the principal, it shall not be therefor debarred from subsequently asserting and exercising its right to call in the principal by reason of such waiver or by reason of any future default. The Mortgagor agrees that neither the execution nor registration of this Mortgage nor the advancing of any part of the Principal Amount shall bind the Mortgagee to advance said money or any unadvanced portion thereof, but that the advance of the money or any part thereof shall be in the sole discretion of the Mortgagee.
- (j) **Prior Encumbrances:** The Mortgagee may, but shall not be obliged to, pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or be claimed upon the Mortgaged Premises having priority over this Mortgage, including any arrears of Taxes on the Mortgaged Premises, and may also pay all costs, charges and expenses that may be incurred in taking, recovering and keeping possession of the Mortgaged Premises and all legal costs for or in respect of the collection of any overdue interest, principal, insurance premiums, repair costs or any other monies whatsoever payable by the Mortgagor under this Mortgage, as between a solicitor and its own client, whether any action or other judicial proceeding to enforce such payment has been taken or not; and the amounts so paid shall be added to the principal amount secured by this Mortgage and bear interest at the Mortgage Interest Rate and be a charge on the Mortgaged Premises, and shall forthwith be payable by the Mortgagor to the Mortgagee and the non-payment of such amount shall entitle the Mortgagee to exercise the powers exercisable for breach of covenant herein contained. In the event of the Mortgagee paying the

amount of any such encumbrance, lien or charge, or Taxes, either out of the monies advanced on the security of this Mortgage or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off.

- (k) **Non-Merger:** The taking of a judgment on any covenant in this Mortgage shall not operate as a merger of any covenant in this Mortgage nor affect the Mortgagee's right to interest at the Mortgage Interest Rate and at the times provided in this Mortgage and such judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Mortgage until such judgment shall have been fully paid and satisfied.
- (l) **Inspection:** The Mortgagee, a mortgage default insurer of this Mortgage or their respective agents may, at any time, enter upon the Mortgaged Premises to inspect the Mortgaged Premises. The reasonable costs of such inspection shall: (i) be added to the debt secured by this Mortgage; (ii) bear interest at the Mortgage Interest Rate; and (iii) be a charge on the Mortgaged Premises. The Mortgagee, a mortgage default insurer of this Mortgage, or their respective agents may enter upon the Mortgaged Premises to conduct any environmental testing, site assessment, investigation, engineering report or other study deemed necessary by either the Mortgagee or a mortgage default insurer of this Mortgage and the costs of such testing, assessment, investigation or study, as the case may be, with interest at the Mortgage Interest Rate, shall be payable by the Mortgagor forthwith and shall be a charge upon the Mortgaged Premises. The exercise of any of the powers enumerated in this clause shall not deem the Mortgagee, a mortgage default insurer of this Mortgage or their respective agents to be in possession, management or control of the Mortgaged Premises.
- (m) **Compliance with Laws:** The Mortgagor will at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, environmental pollution, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Mortgaged Premises; and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at the Mortgagor's own expense make any and all improvements thereon or alterations to the Mortgaged Premises, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.
- (n) **Extensions of Time:** No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealings with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the amounts secured by this Mortgage.
- (o) **Extension of Term:** This Mortgage may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequently to this Mortgage. If the Mortgagor makes any payments to the Mortgagee after expiration of the original term of this Mortgage or any subsequent term agreed to in writing between the Mortgagor and the Mortgagee without first having agreed in writing with the Mortgagee as to the terms of

payment of the balance of the money then repaid, any such payment shall not be deemed to have renewed the term of this Mortgage for the unexpired term of years based on the remaining amortization of this Mortgage. The Mortgagor shall pay to the Mortgagee the amount of any renewal or extension fee charged by the Mortgagee in connection with the renewal or extension of this Mortgage, and all legal costs on a solicitor and its own client basis incurred by the Mortgagee in connection with the renewal or extension. If the Mortgagor does not pay the renewal or extension fee and/or the Mortgagee's legal costs, such amounts shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to this Mortgage, and shall be payable on demand. Nothing contained in this paragraph shall confer any right of renewal or extension upon the Mortgagor.

- (p) **Withholding from Payments:** If the Mortgagor is required by law to make any deduction or withholding from any sum payable by the Mortgagor to the Mortgagee, the sum payable by the Mortgagor in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Mortgagee receives and retains (free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made; and the Mortgagor shall pay the full amount to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Mortgagee within thirty (30) days after it has made such payment to the applicable authority a receipt issued by such authority evidencing such payment.
- (q) **Other Taxes:** The Mortgagor shall pay to the Mortgagee, on demand, the amount of any income, corporate, withholding or similar taxes (other than the Mortgagee's income taxes) ("Other Taxes") that may be imposed upon or in respect of the Principal Amount from time to time outstanding, together with interest thereon, that the Mortgagee may be called upon to pay, together with interest from the date on which such Other Taxes are paid by the Mortgagee at the rate and compounded in the manner provided in this Mortgage.
- (r) **Expropriation:** The Mortgagor and Mortgagee agree that if the whole or part of the Mortgaged Premises are expropriated by a public authority pursuant to statutory authority, any monies paid to the Mortgagor in compensation for the expropriation of the whole or part of the Mortgaged Premises shall be paid by the Mortgagor to the Mortgagee as a lump sum payment under the Mortgage. The Mortgagee, through its agents or employees, may order a survey and/or property valuation of the Mortgaged Premises in order to ascertain the value of the expropriated lands and the remaining lands. Any and all reasonable costs, charges and expenses for such survey and or property valuation shall be added to the Principal Amount and shall bear interest at the Mortgage Interest Rate, and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to the Mortgage and shall be payable forthwith on demand.

#### 10. EQUIVALENT INTEREST RATES

This section sets out a table of equivalent interest rates in respect of variable rate mortgages. The equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under this Mortgage. The following table sets out interest rates calculated half yearly, not in advance, which are equivalent to interest rates calculated monthly not in advance. The Mortgagor may determine the equivalent rate by locating the rate of interest payable under this Mortgage in the column headed "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column

immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".

### EQUIVALENT RATES TABLE

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
1.000	1.002	10.500	10.732
1.125	1.128	10.625	10.863
1.250	1.253	10.750	10.994
1.375	1.379	10.875	11.124
1.500	1.505	11.000	11.255
1.625	1.631	11.125	11.386
1.750	1.756	11.250	11.517
1.875	1.882	11.375	11.648
2.000	2.008	11.500	11.779
2.125	2.134	11.625	11.910
2.250	2.261	11.750	12.041
2.375	2.387	11.875	12.173
2.500	2.513	12.000	12.304
2.625	2.639	12.125	12.435
2.750	2.766	12.250	12.567
2.875	2.892	12.375	12.698
3.000	3.019	12.500	12.830
3.125	3.145	12.625	12.962
3.250	3.272	12.750	13.094
3.375	3.399	12.875	13.225
3.500	3.526	13.000	13.357
3.625	3.652	13.125	13.489
3.750	3.779	13.250	13.621
3.875	3.906	13.375	13.753
4.000	4.033	13.500	13.885
4.125	4.161	13.625	14.018
4.250	4.288	13.750	14.150
4.375	4.415	13.875	14.282
4.500	4.542	14.000	14.415
4.625	4.670	14.125	14.547
4.750	4.797	14.250	14.680
4.875	4.925	14.375	14.812
5.000	5.052	14.500	14.945
5.125	5.180	14.625	15.078
5.250	5.308	14.750	15.211
5.375	5.436	14.875	15.344
5.500	5.563	15.000	15.477
5.625	5.691	15.125	15.610
5.750	5.819	15.250	15.743
5.875	5.947	15.375	15.876
6.000	6.076	15.500	16.009
6.125	6.204	15.625	16.143
6.250	6.332	15.750	16.276
6.375	6.460	15.875	16.409

Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)	Interest Rate Calculated Monthly Not In Advance (%)	Equivalent Interest Rate Calculated Half-Yearly Not In Advance (%)
6.500	6.589	16.000	16.543
6.625	6.717	16.125	16.677
6.750	6.846	16.250	16.810
6.875	6.974	16.375	16.944
7.000	7.103	16.500	17.078
7.125	7.232	16.625	17.212
7.250	7.360	16.750	17.345
7.375	7.489	16.875	17.480
7.500	7.618	17.000	17.614
7.625	7.747	17.125	17.748
7.750	7.876	17.250	17.882
7.875	8.005	17.375	18.016
8.000	8.135	17.500	18.151
8.125	8.264	17.625	18.285
8.250	8.393	17.750	18.419
8.375	8.522	17.875	18.554
8.500	8.652	18.000	18.689
8.625	8.781	18.125	18.823
8.750	8.911	18.250	18.958
8.875	9.041	18.375	19.093
9.000	9.170	18.500	19.228
9.125	9.300	18.625	19.363
9.250	9.430	18.750	19.498
9.375	9.560	18.875	19.633
9.500	9.690	19.000	19.768
9.625	9.820	19.125	19.903
9.750	9.950	19.250	20.039
9.875	10.080	19.375	20.174
10.000	10.211	19.500	20.310
10.125	10.341	19.625	20.445
10.250	10.471	19.750	20.581
10.375	10.602	19.875	20.716

11. **SALE BY MORTGAGOR**

If the Mortgagor sells, conveys, transfers, or enters into any agreement of sale or transfer of the title of the Mortgaged Premises to a purchaser, a grantee or transferee not approved in writing by the Mortgagee, which approval shall be at the sole discretion of the Mortgagee, then, at the option of the Mortgagee, all monies secured by this Mortgage with accrued interest thereon shall forthwith become due and payable.

12. **CONSTRUCTION**

In the event that the Mortgagor erects buildings or improvements upon the Mortgaged Premises:

- (a) The Mortgagor agrees that it will proceed with due diligence with the erection and completion of the buildings or improvements in accordance with the plans and specifications approved or to be approved by the Mortgagee and any mortgage default insurer that has insured this Mortgage;

- (b) The Mortgagee may, in its absolute discretion, advance the Principal Amount in such amounts from time to time as the inspector or valuator of the Mortgagee may approve and the Mortgagee may deem proper, it being the intention that the Principal Amount may be advanced as the buildings or improvements progress in such amounts as the Mortgagee may in its absolute discretion deem prudent;
- (c) The Mortgagee shall be at liberty to retain out of any and all advances made such sums as it may deem necessary to cover any liens for work or labour done or materials or services provided in or for the buildings or improvements until any and all such liens are discharged, and that the Mortgagee may also retain out of any and all advances made, a sum sufficient to provide for and indemnify it against such liens that may exist or be claimed; and it shall not be liable or responsible to the Mortgagor for the validity or correctness of any such claim, and if the Mortgagee pays any such liens to an amount greater than the balance of monies which it shall have on hand to be advanced under this Mortgage, such sums so paid shall be a further charge on the Mortgaged Premises, and shall bear interest at the Mortgage Interest Rate and shall be immediately payable to it by the Mortgagor and shall be added to the Principal Amount and shall be a charge on the Mortgaged Premises;
- (d) In case the Mortgagor should fail in the erection of the buildings or improvements or should neglect to carry on the work of erecting the buildings or improvements with reasonable diligence, the Mortgagee may, in its absolute discretion, enter upon the Mortgaged Premises with power, in its absolute discretion, to alter the plans and specifications if it deems it necessary to do so in order to complete the buildings or improvements, and may complete the same and apply all or any unadvanced portion of the Principal Amount towards payment of the costs (and interest thereon, if any) of completing the buildings or improvements, without thereby becoming liable as mortgagee in possession. If it is unable to properly complete the building(s) or improvements with the unadvanced portion of the Principal Amount, and it advances or lays out any further sum therefore, such further sum shall be deemed to be a further advance under this Mortgage and shall bear interest at the Mortgage Interest Rate, and shall immediately be repayable by the Mortgagor and shall be added to the Principal Amount and shall be a charge on the Mortgaged Premises;
- (e) In case of such default in the erection of the buildings or improvements, or in case any lien is registered against the Mortgaged Premises, the monies secured by this Mortgage shall, at the option of the Mortgagee, immediately become due and payable and the Mortgagee may (whether it proceeds with the completion of the buildings or improvements as above mentioned or not) exercise its remedies under this Mortgage; and
- (f) This Mortgage shall take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured by this Mortgage in the event of the whole or any balance of the Principal Amount not being advanced, the same to be a charge upon the Mortgaged Premises and shall, at the option of the Mortgagee, immediately become due and payable with interest at the Mortgage Interest Rate and in default all remedies under this Mortgage or at law shall be exercisable by the Mortgagee.

### **13. OBLIGATIONS SURVIVE SALE**

The Mortgagor agrees that no sale or other dealing by the Mortgagor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the amounts secured by this Mortgage.

14. **OTHER SECURITY**

This Mortgage is in addition to, and not in substitution for, any other security held by the Mortgagee, including any promissory note or notes for all or any part of the monies secured hereunder, and it is understood and agreed that the Mortgagee may pursue its remedies thereunder and hereunder concurrently or successively at its option. Any judgment or recovery hereunder or under any other security held by the Mortgagee for the monies secured by this Mortgage shall not affect the right of the Mortgagee to realize upon this or any other such security. Without limiting the generality of the foregoing, this Mortgage is in addition to, and not in substitution for, any other charges now or hereafter held by the Mortgagee over the Mortgaged Premises as security for monies advanced hereunder or any other monies due to the Mortgagee, and it is understood and agreed that the aggregate principal amount secured by this Mortgage and such other charges shall be the sum of the Principal Amount and all other monies secured hereunder and the respective principal amounts of such other charges.

15. **PLACE OF PAYMENT**

All payments hereby secured shall be made at such place as the Mortgagee may from time to time designate in writing to the Mortgagor, in lawful money of Canada.

16. **RIGHTS ON DEFAULT**

In the event of default in the payment of any instalment of principal, interest or Taxes secured by this Mortgage or any other amounts payable under this Mortgage by the Mortgagor or on breach of any covenant, proviso or agreement in this Mortgage after all or any part of the Principal Amount has been advanced, the Mortgagee, its inspector or agent may at such time or times as the Mortgagee may deem necessary and without the concurrence of any other person enter upon the Mortgaged Premises and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Mortgaged Premises, or for inspecting, examining title, taking care of, leasing, collecting the rents of, and generally managing the Mortgaged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes shall be forthwith payable to the Mortgagee and bear interest at the Mortgage Interest Rate and be a charge on the Mortgaged Premises. The Mortgagee shall not be the agent or attorney of the Mortgagor by reason of the Mortgagee's entry into possession of the Mortgaged Premises or any part thereof or by anything that may be done by virtue of this section, or be liable to account as Mortgagee or as mortgagee in possession for anything except actual receipts.

17. **NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS**

No failure by the Mortgagee to enforce at any time or from time to time any of its rights under this Mortgage shall prejudice such rights or any other rights of the Mortgagee and no performance or payment by the Mortgagee in respect of any breach or default of the Mortgagor shall relieve the Mortgagor from any such breach or default under this Mortgage; and no waiver at any time or from time to time of any such rights of the Mortgagee shall prejudice such rights in the event of any future default or breach.

18. **CROSS-DEFAULT**

Any breach by the Mortgagor of a covenant or proviso under any other existing or future agreement, document, mortgage, security agreement, assignment of rentals, assignment of leases or any other security in favour of the Mortgagee related to the Mortgaged Premises shall entitle the Mortgagee to exercise its remedies as set out in this Mortgage, as if there had been a default of payment, other default or breach of any covenant or proviso of this Mortgage.



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19. **DEFAULT UNDER OTHER MORTGAGES**

The Mortgagor and the Mortgagee agree that if the Mortgagor defaults in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any other mortgage or charge registered against the Mortgaged Premises, the monies secured by this Mortgage shall forthwith become due and be payable, at the option of the Mortgagee, and all powers conferred by this Mortgage upon the Mortgagee shall become exercisable as provided in the Mortgage.

The Mortgagor further agrees that there will be no subsequent encumbrances, save and except with the prior written consent of the Mortgagee.

20. **CHANGE OF CORPORATE CONTROL**

If the Mortgagor is a corporation, the Mortgagor covenants and agrees that if:

- (a) the Mortgagor fails to supply to the Mortgagee, in a form satisfactory to the Mortgagee, such information relating to the ownership of its shares as the Mortgagee may from time to time require; or
- (b) without the written consent of the Mortgagee first had and obtained,
  - (i) the Mortgagor issues or redeems any of its shares or transfers any of its shares,
  - (ii) there is a sale or sales of the shares of the Mortgagor which result in the transfer, including a transfer or deemed transfer by operation of law, of the legal or beneficial interest of any of the shares of the Mortgagor, or
  - (iii) the Mortgagor amalgamates, merges or consolidates with any other corporation,

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Mortgagor, then, at the option of the Mortgagee, all monies secured by this Mortgage with accrued interest thereon shall forthwith become due and payable.

21. **CONDOMINIUMS**

If this Mortgage is of a unit within a plan of condominium the following provisions shall apply:

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by the *Condominium Property Act* and by the condominium plan, the by-laws and the rules, as amended from time to time, of the Condominium Corporation by virtue of the Mortgagor's ownership of the Mortgaged Premises. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.
- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Mortgaged Premises and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the Principal Amount and bear interest at the Mortgage Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Mortgaged Premises and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.

- (c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Mortgaged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
- (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the Condominium Corporation that the Mortgagee does not intend to exercise the right to vote or consent and in that event until the Mortgagee revokes the notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
  - (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
  - (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

## 22. RECEIVERSHIP

Notwithstanding anything herein contained, it is declared and agreed that at any time when there shall be default under the provisions of this Mortgage, the Mortgagee may, at such time and from time to time, and with or without entry into possession of the Mortgaged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Mortgagee or not, to be a receiver (which term, as used herein, includes a receiver manager) of the Mortgaged Premises, or any part thereof, and of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another receiver, and that in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any such receiver from time to time, the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Mortgaged Premises as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
  - (i) collect the rent and profits from tenancies, whether created before or after this Mortgage;
  - (ii) rent any portion of the Mortgaged Premises which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
  - (iii) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Premises left by the Mortgagor in an unfinished state or award the same to others to complete, and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the Mortgaged Premises operable or rentable, and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
  - (iv) manage, operate, repair, alter or extend the Mortgaged Premises or any part thereof; and

(v) sell all or any part of the Mortgaged Premises.

The Mortgagor undertakes to ratify and confirm whatever any such receiver may do in the Mortgaged Premises.

- (b) The Mortgagee may, at its discretion, vest the receiver with all or any of the rights and powers of the Mortgagee.
- (c) The Mortgagee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Mortgaged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Mortgagor and, in no event the agent of the Mortgagee, and the Mortgagee shall not be responsible for his acts or omissions.
- (e) The appointment of any such receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Premises.
- (f) No such receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:
  - (i) the receiver's remuneration aforesaid;
  - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's power and authority hereby conferred;
  - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Mortgaged Premises in priority to this Mortgage, including Taxes;
  - (iv) to the Mortgagee all interest, principal and other monies due under this Mortgage to be paid in such order as the Mortgagee, in its discretion, shall determine, and thereafter, every such receiver shall be accountable to the Mortgagor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Mortgagor on demand and shall be a charge on the Mortgaged Premises and shall bear interest from the date of demand at the Mortgage Interest Rate.

- (g) Save as to claims for accounting under paragraph (f) of this section, the Mortgagor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Mortgagor or any person claiming through or under him by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Mortgagee may, at any time and from time to time, terminate any such receivership by notice in writing to the Mortgagor and to any such receiver.
- (i) The statutory declaration of an officer of the Mortgagee as to default under the provisions of this Mortgage and as to the due appointment of the receiver pursuant to the terms

hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

- (j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have.

**23. MORTGAGOR TO BECOME TENANT**

The Mortgagor hereby attorns to the Mortgagee and becomes a tenant from year to year of the Mortgaged Premises at a rental equivalent to and payable at the same days and times as the interest and instalments are to be paid under this Mortgage, such rent when so paid to be in satisfaction of such interest and instalments; provided that the Mortgagee may on default of any payment hereunder or on breach of any other covenant, agreement or proviso herein contained or implied on the part of the Mortgagor to be made, observed or performed, enter on the Mortgaged Premises and determine the tenancy hereby created without notice, and that neither the existence of this clause nor anything done by virtue thereof shall render the Mortgagee liable as Mortgagee in possession or accountable for any moneys except those actually received.

**24. RENTAL PROPERTY – STATEMENT OF INCOME AND EXPENSES**

If the Mortgaged Premises are occupied or used for rental purposes, the Mortgagor covenants and agrees to maintain proper records and books of account with respect to the revenues of and expenditures arising from or out of the Mortgaged Premises and will permit the Mortgagee or any person appointed by the Mortgagee for that purpose to examine such books at all reasonable times and to make copies or extracts therefrom and will give the Mortgagee all information with regards to the revenues and expenses of the Mortgaged Premises which the Mortgagee may reasonably require.

**25. FINANCIAL STATEMENTS**

If the Mortgaged Premises are occupied or used for rental purposes, the Mortgagor further covenants with the Mortgagee to provide annually to the Mortgagee detailed financial statements of the income and expenses of the Mortgaged Premises, including a current rent roll, for each annual operating period for the Mortgaged Premises. The statements shall be prepared by a chartered accountant acceptable to the Mortgagee and provided within ninety (90) days after the end of each calendar year. In the event that the Mortgagor and/or the Guarantor(s) are corporations, each Mortgagor and/or Guarantor(s) shall also provide to the Mortgagee audited financial statements within one hundred twenty (120) days after their respective fiscal year-ends for the duration of the term of this Mortgage. In the event that the Mortgagee and/or the Guarantor(s) are individuals, each Mortgagor and/or Guarantor(s) shall provide to the Mortgagee a statement of net worth, a copy of current tax returns and a copy of assessment notices received from Canada Customs and Revenue Agency (or a successor agency), in each case by May 30th of each year during the term of this Mortgage. The Mortgagor shall also provide such other additional financial information as may be requested by the Mortgagee from time to time.

**26. PROPERTY MANAGEMENT**

The Mortgagor covenants and agrees that the Mortgagee may, at its option, require that the Mortgagor enter into an agreement with a professional independent property management firm (the "Property Management Firm") for the management of the Mortgaged Premises. The selection of the Property Management Firm and the term of the agreement shall be subject to the approval of the Mortgagee. If the Mortgagee has not instructed the Mortgagor to engage a Property Management Firm, the Mortgagor or, subject to the Mortgagee's approval, a corporation affiliated with the Mortgagor, shall manage the Mortgaged Premises in accordance with the

provisions of this Mortgage. Notwithstanding the foregoing, if the Mortgagor is in default under this Mortgage or any other security granted to the Mortgagee by the Mortgagor, the Mortgagee shall have the right, but not the obligation, to appoint a Property Management Firm and upon the appointment of a Property Management Firm the Mortgagor shall provide it access to the Mortgaged Premises and give it access to all records, computer files and other data necessary to permit it to manage the Mortgaged Premises. All costs and expenses paid by the Mortgagee in respect of the Property Management Firm shall be payable by the Mortgagor forthwith upon demand and all such amounts shall be secured by this Mortgage.

27. **RESIDENTIAL RENTAL PROPERTY**

Notwithstanding anything contained in this Mortgage to the contrary, if the Mortgaged Premises are occupied or are used as a residential rental property, the Mortgagor represents and warrants to the Mortgagee that with respect to the Mortgaged Premises, except as permitted under laws applicable to residential housing:

- (a) no demolition, conversion, renovation, repair or severance has taken place with respect to any part of the Mortgaged Premises;
- (b) there have been no increases in the rental charged for residential rental unit or units on the Mortgaged Premises except as permitted by law;

and, as provided in laws applicable to residential housing:

- (c) all rents charged with respect to the Mortgaged Premises or any part thereof are lawful rents and all required rebates have been paid;
- (d) all required filings have been made and were timely, accurate and complete;

and, pursuant to laws applicable to residential housing:

- (e) no applications, investigations or proceedings have been commenced or made; and
- (f) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Mortgaged Premises or any residential rental unit or units on the Mortgaged Premises.

Before the first advance the Mortgagor agrees on request by the Mortgagee to provide a statutory declaration (by an officer/director if the Mortgagor is a corporation) that the above representations and warranties are true and correct. The Mortgagor agrees on request by the Mortgagee to deliver to the Mortgagee before the first advance all documents required to establish the legality of rents derived from the Mortgaged Premises.

The Mortgagor further agrees to comply with the provisions of all laws applicable to residential rental housing during the term of the Mortgage. In the event of a breach of this covenant or in the event that any of the representations and warranties contained in this provision are false, the outstanding Principal Amount and any accrued interest shall, at the option of the Mortgagee, become immediately due and payable.

28. **ASSIGNMENT OF RENTS**

For better securing to the Mortgagee the payment of all monies secured by this Mortgage, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all rents and other monies payable under any leases and/or agreements which affect the Mortgaged Premises or any part thereof, whether written, verbal or otherwise howsoever, provided that nothing done in

pursuance of this Mortgage shall have or be deemed to have the effect of making the Mortgagee a mortgagee in possession or responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the Mortgaged Premises, or for the performance or observance of any covenants, terms or conditions contained in such lease or other agreement.

29. **ASSIGNMENT OF LEASES**

For better securing to the Mortgagee the payment of all monies secured by this Mortgage, the Mortgagor gives, grants, assigns, transfers and sets over unto the Mortgagee all leases and/or agreements which affect the Mortgaged Premises or any part thereof whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rights, benefits and advantages to be derived therefrom; and service of a copy of this Mortgage upon any lessee of the Mortgagor occupying any portion of the Mortgaged Premises shall operate as an absolute assignment of that lessee's lease and such lessee is thereupon authorized and directed to give effect to such assignment; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee a mortgagee in possession or responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the Mortgaged Premises, or for the performance or observance of any covenants, terms or conditions contained in such lease or other agreement.

30. **ENVIRONMENTAL COMPLIANCE**

The Mortgagor hereby represents and warrants to the Mortgagee that:

- (a) there is not in, on or about the Mortgaged Premises any product or substance (including, without restriction, contaminants, wastes, hazardous or toxic materials), equipment or anything else which contravenes any statute, regulation, by-law, order, direction or equivalent relating to the protection of the environment or which is not being dealt with according to best recognized practices relating to the environment;
- (b) to the best of the knowledge of the Mortgagor, no circumstance has existed on the Mortgaged Premises, or exists or has existed on any land adjacent to the Mortgaged Premises, that constitutes or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment;
- (c) no claim or notice of any action, investigation or proceeding of any kind has been threatened, made or issued, or is pending, relating to any environmental condition on the Mortgaged Premises;
- (d) the Mortgaged Premises are being used in compliance with all statutes, regulations, orders, by-laws, directions and equivalent relating to the protection of the environment; and
- (e) it has obtained any and all certificates, permits and/or approvals required to (i) permit the Mortgagor to construct, alter or remove the improvements situated on the Mortgaged premises; and (ii) conduct its business operations on the Mortgaged Premises.

The Mortgagor hereby covenants and agrees with the Mortgagee as follows:

- (a) the Mortgagor shall give to the Mortgagee immediate notice, in writing, of any material change in circumstances in respect of the Mortgaged Premises or adjacent land which would cause any of the representations and warranties contained in the immediately preceding paragraphs (a) to (e) inclusive to become untrue; and

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(b) the Mortgagor shall not permit or create, and shall not allow anyone else to permit or create, any circumstance on the Mortgaged Premises which would constitute or could reasonably constitute a contravention of any statute, regulation, order, by-law, direction or equivalent relating to the protection of the environment.

If a contaminant is discovered on the Mortgaged Premises, the Mortgagor shall give to the Mortgagee immediate notice, in writing, of the discovery of a contaminant. The Mortgagor shall, at its sole cost, retain an environmental consultant from a list of consultants approved by the Mortgagee. The consultant shall perform such assessments, investigations, studies and tests as may be required to determine: (i) the potential effect of the contaminant on human health and the environment; (ii) the lateral and vertical extent of the contamination; (iii) the source of the contamination; and (iv) the cost of the remediation of the contamination. The Mortgagor shall immediately deliver to the Mortgagee copies of all reports, studies or other documents prepared by the consultant.

The Mortgagor, at its sole cost and expense, shall comply or cause its tenants, agents and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, rules, regulations and orders with respect to the discharge and removal of hazardous or toxic waste, and with respect to the discharge of contaminants into the natural environment, pay immediately when due the cost of removal of any such waste or contaminants and the cost of any improvements necessary to deal with such waste or contaminants and keep the Mortgaged Premises free and clear of any lien imposed pursuant to such laws, rules and regulations. In the event the Mortgagor fails to do so, after notice to the Mortgagor, and after the expiration of the earlier of:

- (a) any applicable cure period under this Mortgage; or
- (b) the cure period under the applicable law, rule, regulation or order,

then the Mortgagee, at its sole option, may declare this Mortgage to be in default.

The Mortgagor shall indemnify and hold harmless the Mortgagee (and its directors, officers, employees and agents) from and against all loss, cost, damage or expenses (including, without limitation, legal fees and costs incurred in the investigation, defence and settlement of any claim or any costs to remediate any contamination or to ensure compliance with applicable environmental laws, regulations, orders or guidelines), relating to the presence of any hazardous waste or contaminant or due to the Mortgagor's failure to comply with the covenants and provisions of this section. This indemnity shall survive the discharge of the Mortgage or the release from this Mortgage of part or all of the Mortgaged Premises.

31. **ADMINISTRATION FEES**

The Mortgagor covenants with the Mortgagee that the Mortgagor will pay to the Mortgagee the Mortgagee's then current administration fee for the following services and that such fees, until paid, shall be a charge upon the Mortgaged Premises and shall bear interest at the Mortgage Interest Rate: (i) an administration fee for each statement of the Mortgage account provided by the Mortgagee at the request of the Mortgagor or the Mortgagor's solicitor or agent; (ii) a processing fee for each renewal of the Mortgage (to the extent not prohibited by law); (iii) an administration fee for each cheque given to the Mortgagee by the Mortgagor or produced under the authorized chequing direction of the Mortgagor, or for each authorized direct debit to an account of the Mortgagor which is dishonoured or not accepted by the financial institution; (iv) an administration fee for placement of insurance coverage upon cancellation or lapse of a policy of insurance or the neglect or failure of the Mortgagor to provide evidence of replacing coverage; and (v) a processing fee on repayment of the Mortgage (to the extent not prohibited by law), it being agreed between the Mortgagor and the Mortgagee that the amount of each such fee is a liquidated amount to cover the administrative costs of the Mortgagee and not a penalty.

32. **MORTGAGEE'S EXPENSES**

The Mortgagor agrees to pay the reasonable and necessary costs, charges, fees and expenses of and incidental to this Mortgage and any and all other documents required in connection herewith, and of any amendment, extension, variation or renewal thereof, and of anything done in connection with the enforcement of the security granted by this Mortgage or the procuring of the payment of any amount payable under this Mortgage including, without limiting the generality of the foregoing, all legal fees on a solicitor and its own client basis, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Mortgagee thereon and all costs and expenses of valuing the Mortgaged Premises in connection with the foregoing and of anything done in connection with defending the validity or priority of this Mortgage as against third parties. The Mortgagor further agrees that such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Mortgage Interest Rate and shall be a charge on the Mortgaged Premises.

33. **DISCHARGE**

The Mortgagee shall have a reasonable time after payment of the amounts secured by this Mortgage in full within which to prepare and execute a discharge or assignment of this Mortgage; provided that interest at the Mortgage Interest Rate shall continue to run and accrue until actual payment in full has been received by the Mortgagee. All legal and other expenses for the preparation, execution and registration of such discharge or assignment shall be borne by the Mortgagor (to the extent not prohibited by law).

34. **PARTIAL RELEASE**

The Mortgagee may at any time release any part or parts of the Mortgaged Premises or any other security or surety for payment of all or any part of the amounts hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay such amounts or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee, and without thereby releasing any other part of the Mortgaged Premises, or any other securities or covenants herein contained, it being agreed that notwithstanding any such release, the lands, securities and covenants remaining unreleased shall stand charged with the whole of the monies secured by this Mortgage.

35. **PREAUTHORIZED DEBITS**

The Mortgagor agrees that all payments to be made under this Mortgage shall, unless otherwise agreed to by the Mortgagee, be made by preauthorized debits from an account in the name of the Mortgagor held at a branch of the Mortgagee and that the Mortgagor shall execute any documents required to permit the preauthorized debits.

36. **COMMITMENT LETTER AND ASSIGNMENT BY MORTGAGEE**

The provisions set forth in any commitment letter or other agreement between the Mortgagor and the Mortgagee relating to the loan secured by this Mortgage will not merge with this Mortgage but shall survive the execution, delivery and registration of this Mortgage.

The Mortgagor acknowledges that the Mortgagee may transfer or assign this Mortgage without notice to the Mortgagor. In addition, the Mortgagee may syndicate, securitize or grant participation interests in the Mortgage. The Mortgagor and the Guarantor, if any, agree that the Mortgagee may disclose to a third party any information relating to this Mortgage, including financial information relating to the Mortgaged Premises, the Mortgagor or the Guarantor as may be required in order to effect the aforementioned transactions.



37. **GUARANTOR**

In consideration of the Mortgagee making loans, accommodations, advances or other extensions of credit to the Mortgagor, each Guarantor hereby agrees with the Mortgagee as follows:

Each Guarantor hereby:

- (a) guarantees the payment on demand by the Mortgagor to the Mortgagee of all of the Principal Amount and other liabilities of the Mortgagor secured or payable under this Mortgage, present or future, direct or indirect, absolute or contingent, matured or not, including, without limitation, principal, interest, taxes, fees and expenses as and when the same are due and payable under this Mortgage (the "Guaranteed Amounts"), and
- (b) covenants and agrees to perform on demand all other covenants and obligations of the Mortgagor under this Mortgage as and when the same are required to be observed or performed under this Mortgage (the "Guaranteed Covenants"),

provided that if the Schedule indicates that there is a maximum principal amount for which the Guarantor is liable, the liability of the Guarantor under this Guarantee (as defined below) in respect of the Guaranteed Amounts shall be limited to such maximum principal amount, together with interest after the date of demand for payment at the Mortgage Interest Rate, and any legal costs (on a solicitor and its own client basis) and expenses incurred in recovering or attempting to recover amounts under this Guarantee.

The obligations of the Mortgagor to pay the Guaranteed Amounts and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "Guaranteed Obligations", and this guarantee is hereinafter referred to as the "Guarantee".

If there is more than one Guarantor, the obligations of the Guarantors under this Guarantee shall be joint and several and any reference herein to "the Guarantor" is to each and every such Guarantor.

If any monies or amounts expressed to be owing or payable under this Guarantee by the Guarantor are not recoverable from the Guarantor, or any of them, on the footing of a guarantee for any reason whatever, such monies or amounts may be recovered from the Guarantor, or any of them, as a primary obligor and principal debtor in respect of such monies or amounts, regardless of whether such monies or amounts are recoverable from the Mortgagor or would be payable by the Mortgagor to the Mortgagee. For greater certainty, but without restricting the generality of the foregoing, if the Mortgagee is prevented or restricted from exercising its rights or remedies with respect to any of the Guaranteed Obligations, including, without limitation, the right of acceleration, the right to be paid interest at the Mortgage Interest Rate in respect of the Guaranteed Obligations or the right to enforce or exercise any other right or remedy with respect to the Guaranteed Obligations, the Guarantor agrees to pay the amount that would otherwise have been due and payable had the Mortgagee been permitted to exercise such rights and remedies in accordance with the terms agreed to between the Mortgagor and Mortgagee; provided, however, that the foregoing characterization of the liability of the Guarantor as that of a primary obligor and principal debtor is not intended and shall not be interpreted to confer on the Guarantor, or any of them, any right, benefit or advantage that the Guarantor would not otherwise have in the absence of such characterization.

Without giving notice to or obtaining the consent or concurrence of any Guarantor, the Mortgagee may:

- (a) grant any time, indulgences, waivers or extensions of time for payment of any of the Guaranteed Obligations;

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- (b) grant any renewals or extensions of this Mortgage with or without a change in the Mortgage Interest Rate or in any other terms or conditions of this Mortgage and whether by express agreement signed by the Mortgagor or otherwise;
  - (c) change the interest rate provided in this Mortgage, either during the initial term of this Mortgage or in any subsequent extension or renewal term, whether by way of increase, decrease, or change in the reference rate by which the interest rate is calculated or determined; change from a fixed rate to a variable or floating rate, or from a variable or floating rate to a fixed rate, or otherwise;
  - (d) change the amortization of this Mortgage, whether by way of increase or decrease;
  - (e) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of this Mortgage in any manner whatever;
  - (f) release or discharge from this Mortgage the whole or any part of the Mortgaged Premises;
  - (g) accept compositions, compromises or proposals from the Mortgagor or otherwise deal with the Mortgagor or any other person (including without limitation, the Guarantor or any other Guarantor of the Guaranteed Obligations), any security (including, without limitation, this Mortgage) or the Mortgaged Premises as the Mortgagee sees fit, including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Guaranteed Obligations;
  - (h) release or discharge any Guarantor or one or more other co-covenantors or Guarantors or Mortgagors in respect of this Mortgage whether under this Guarantee or otherwise; or
  - (i) release any subsequent legal or beneficial owner of the Mortgaged Premises from any liability for the Guaranteed Obligations, or any of them, or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Guarantor under this Guarantee, regardless of whether any such action has the effect of amending or varying this Mortgage or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the Guaranteed Obligations. The Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall extend to and include the obligations of the Mortgagor under this Mortgage as so amended, renewed, extended, or varied and the Guaranteed Obligations as so increased, expanded or altered without further action on the part of the Mortgagee or the consent or concurrence of any Guarantor; and for greater certainty and without limiting the foregoing, if the interest rate provided in this Mortgage is increased or otherwise altered, the Guaranteed Obligations and the liability of each Guarantor under this Guarantee shall be extended to and include the obligation of the Mortgagor to pay interest at such increased or altered rate.

The obligations of the Guarantor under this Guarantee shall be unaffected by:

- (a) any lack or limitation of status or power, disability, incapacity, death, dissolution or other circumstances relating to the Mortgagor, any Guarantor or any other party;
- (b) any irregularity, defect, unenforceability or invalidity in respect of this Mortgage or any indebtedness, liability or other obligation of the Mortgagor or any other party;
- (c) any release or discharge of the Guaranteed Obligations, except by reason of their irrevocable payment and satisfaction in full;

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- (d) any judgment obtained against the Mortgagor, or the taking, enforcing, exercising or realizing on, or refusing or neglecting to take, enforce, exercise or realize on, or negligence in taking, enforcing, exercising or realizing on, any security (including without limitation any money on deposit and any guarantee) or any right or remedy, from or against the Mortgagor or any other party or their respective assets or releasing or discharging, or failing, refusing or neglecting to maintain, protect, renew or perfect, any security (including without limitation any money on deposit or any guarantee) or any right or remedy;
  - (e) any change in the name, control, objects, business, assets, capital structure, or constitution of the Mortgagor or any Guarantor, or any merger or amalgamation of the Mortgagor or any Guarantor whether or not under the laws of a jurisdiction other than the jurisdiction under which the Mortgagor or Guarantor was originally formed, or any change in the membership of the Mortgagor or any Guarantor, if a partnership, through the death, retirement or introduction of one or more partners, or otherwise; and each reference to the "Mortgagor" or the "Guarantor" in this Mortgage will be deemed to include each corporation and each partnership resulting from any of the foregoing;
  - (f) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of this Mortgage or this Guarantee, or the Mortgagor or any Guarantor;
  - (g) any failure on the part of the Mortgagee to perfect, maintain or enforce its rights whether due to its default, negligence or otherwise on the part of the Mortgagee with respect to this Mortgage, or any other security granted to the Mortgagee relating to this Mortgage; and
  - (h) any other circumstances whatsoever (with or without notice to or the knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor under this Guarantee, or might otherwise constitute a legal or equitable discharge of a surety or guarantor;

it being the purpose and intent of each Guarantor that the liabilities and obligations of each Guarantor under this Guarantee shall be absolute and unconditional under any and all circumstances.

Unless and until all Guaranteed Obligations have been irrevocably paid and satisfied in full and the Mortgagee shall have no further obligation to advance any further monies to the Mortgagor, the Guarantor shall not be subrogated to any of the rights or claims of the Mortgagee in respect of any of the Guaranteed Obligations, or under any security agreement or guarantee or other instrument which may at any time be held by or on behalf of the Mortgagee, and the Guarantor shall not seek any reimbursement from the Mortgagor.

The obligations of the Guarantor under this Guarantee shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor or any of them under this Mortgage (whether such payment shall have been made by or on behalf of the Mortgagor or the Guarantor or any of them) is rescinded, or is reclaimed from the Mortgagee, upon the insolvency, bankruptcy, liquidation, dissolution or reorganization of the Mortgagor or the Guarantor or any of them, or for any other reason.

The Mortgagee shall have no obligation to enforce any rights or remedies or security or guarantees or to take any other steps against the Mortgagor or any other party or any assets of the Mortgagor or any other party before being entitled to demand payment or performance by any Guarantor of its obligations under this Guarantee. Each Guarantor hereby waives all benefit of discussion and division.

Any Guarantor may, by notice in writing delivered to the Mortgagee at the address for service stated in this Mortgage, terminate the Guarantor's liability under this Guarantee with effect from and after the date (the "Termination Date") that is thirty (30) days following the date of such notice in respect of Guaranteed Obligations incurred or arising at any time on or after the Termination Date but not in respect of any Guaranteed Obligations incurred, arising or existing before the Termination Date, even though not then matured. Notwithstanding the foregoing, the Mortgagee may fulfill any requirements of the Mortgagor under this Mortgage or any advance of all or part of the Principal Amount requested by the Mortgagor prior to the receipt of such notice and any liabilities of the Mortgagor resulting from such fulfillment shall be added to the Guaranteed Obligations and shall be secured by this Mortgage and by this Guarantee. Termination of the liability of one or more of the Guarantors shall not affect the liability of any other Guarantor.

Each Guarantor shall indemnify and save harmless the Mortgagee from and against all losses, damages, costs and expenses which the Mortgagee may sustain, incur or become liable for by reason of:

- (a) the failure, for any reason whatever, of the Mortgagor to pay any amounts expressed to be payable pursuant to the provisions of this Mortgage, regardless of whether the Mortgagor's obligation to pay such amounts is valid or enforceable against the Mortgagor;
- (b) the failure, for any reason whatever, of the Mortgagor to perform any other obligation under this Mortgage; or
- (c) any act, action or proceeding of or by the Mortgagee for or in connection with the recovery of such amounts or the performance of such obligations.

This Guarantee shall be operative and binding upon every Guarantor hereto upon execution and delivery of this Mortgage by such Guarantor regardless of whether it has been executed by any other proposed Guarantor or Guarantors.

### 38. LEASEHOLD PROVISIONS

If the interest of the Mortgagor in the Mortgaged Premises or any part thereof derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the Mortgaged Premises or such part thereof (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

- (a) all references herein to "Mortgaged Premises" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of the Mortgage;
- (b) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the Mortgaged Premises, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the Term of the Mortgage, together with the Lease and all right, title and interest of the Mortgagor in the Lease and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof (the

"Reversion"), as security for the payment to the Mortgagee of the Principal Amount, interest on such amounts and all other amounts secured by the Mortgage and for the performance of all liabilities and obligations secured by the Mortgage upon the terms set out in the Mortgage;

(c) the Mortgagor represents and warrants to the Mortgagee as follows:

- (i) the Mortgagor has good leasehold title to the Mortgaged Premises free and clear of any liens, charges and other encumbrances except those specifically approved in writing by the Mortgagee;
- (ii) the Lease is, at the time of execution and delivery of the Mortgage, a good, valid and subsisting lease and has not been surrendered or forfeited or become void or voidable and the Mortgagor has not done or failed to do any act as a result of which the Lease would be rendered invalid or its validity impaired;
- (iii) there have been no modifications to the Lease that have not been provided to the Mortgagee;
- (iv) the rents, covenants and conditions contained in the Lease have been duly paid, observed and performed by the Mortgagor up to the date of the Mortgage;
- (v) the Mortgagor has a good right, full power and lawful and absolute authority to demise and sublet the Lease to the Mortgagee (subject to the consent, if necessary, of the appropriate governmental authority if the Mortgaged Premises are located within a national or provincial park); and
- (vi) if the Mortgaged Premises are located within a national or provincial park, the Lease contains all terms necessary in order for the appropriate governmental authority to consent, if necessary, to the mortgage of the Lease, in the manner aforesaid;

(d) the Mortgagor covenants and agrees with the Mortgagee as follows:

- (i) the Mortgagor shall stand possessed of the Reversion in trust for the Mortgagee to assign and dispose of the Reversion in such manner as the Mortgagee shall by notice in writing direct (subject to the right of redemption in the Mortgage) and for one dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor hereby irrevocably appoints the Mortgagee to be the attorney of the Mortgagor to assign the term of the Lease as the Mortgagee shall at any time direct;
- (ii) the Mortgagor, at the request of the Mortgagee but at the cost, charge and expense of the Mortgagor, will grant and assign to the Mortgagee, or to whomever the Mortgagee may appoint, the Reversion or any renewal or substituted term of the Lease;
- (iii) the Mortgagor shall pay the rent reserved by and other amounts due under the Lease and shall observe and perform each and every covenant, agreement, condition and proviso contained in the Lease and shall not be guilty of any acts or default which may cause the Lease to be forfeited or determined and the Mortgagor shall indemnify the Mortgagee against all actions, claims and demands whatsoever in respect of the rent and covenants or anything relating thereto;

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- (iv) the Mortgagor shall not, during the continuance of the Mortgage, transfer, assign, sub-lease, surrender or terminate the Lease or any of its rights or interest in the Lease;
- (v) the Mortgagor shall not, during the continuance of the Mortgage, enter into any agreement purporting to modify, alter or amend the Lease, without the prior written consent of the Mortgagee;
- (vi) the Mortgagor shall not allow any options (to renew or otherwise) or any rights of first refusal under the Lease to lapse and subject to any contrary directions from the Mortgagee, shall exercise any such options or rights so as to maintain or continue the term of the Lease for the whole of the period during which any debts or liabilities secured by the Mortgage remain outstanding;
- (vii) any breach or default under the Lease shall be deemed to be a default under the Mortgage entitling the Mortgagee to demand repayment of all amounts then secured by the Mortgage;
- (viii) if the Mortgagor becomes the owner of the freehold of the lands and premises demised by the Lease, the Mortgage shall increase to be a mortgage of the freehold interest in the lands and premises demised by the Lease to the same extent and effect as if the Mortgagor had been the owner of the freehold, free from encumbrances, at the date the Mortgage took effect. To give effect to the foregoing the Mortgagor does hereby grant and mortgage the freehold interest in the Mortgaged Premises unto the Mortgagee, such grant to take effect upon the Mortgagor acquiring freehold title to the said Mortgaged Premises. The Mortgagor covenants and agrees to execute and deliver at the Mortgagor's expense, forthwith on demand therefor, such further and other documents as the Mortgagee may reasonably require for the purpose of validly giving effect to the foregoing;
- (ix) the Mortgagor shall immediately notify the Mortgagee of any notice or advice from the lessor under the Lease of the lessor's intention to terminate the Lease prior to the expiration of the term of the Lease or any other notice or request received from the lessor;
- (e) any reference in the Mortgage to any charges payable in respect of the Mortgaged Premises shall include all taxes, assessments, rates, costs or charges of whatever kind payable by the Mortgagor under the Lease and if any amounts are paid by the Mortgagee in respect of amounts owing under the Lease such amounts shall be a lien against the Mortgaged Premises, shall bear interest at the Mortgage Interest Rate and shall be secured by the Mortgage;
- (f) in the event of any default in any payment of rent or other monies due under the Lease or in the performance or observance of any covenant, agreement, condition or proviso contained in the Lease, the Mortgagee shall, at its option but without incurring any liability to do so, be at liberty to pay such rent or to observe or perform such covenant, agreement, condition or proviso, as the case may be, and all money expended by the Mortgagee in so doing shall be payable forthwith by the Mortgagor to the Mortgagee, shall bear interest at the Mortgage Interest Rate and shall be a lien on the Mortgaged Premises secured by the Mortgage; and
- (g) in consideration of the sum of one dollar and other good and valuable consideration, now paid by the Mortgagee to the Mortgagor, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor hereby irrevocably appoints the Mortgagee to be the attorney of the Mortgagor to enforce any covenants of the tenant

under the Lease and to exercise any options to renew the Lease in the Mortgagee's discretion.

39. **SEVERABILITY OF ANY INVALID PROVISIONS**

If at any time any provision of this Mortgage is illegal or invalid under or inconsistent with the provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect under such statute, regulation or other applicable law then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Mortgagee unable to collect the amount of any such loss.

40. **HEADINGS**

The paragraph headings in this Mortgage are inserted for convenience of reference only and are deemed not to form part of this Mortgage and are not to be considered in the construction or interpretation of this Mortgage or any part thereof.

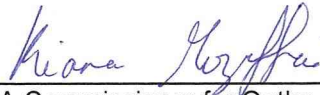
41. **INTERPRETATION**

In this Mortgage the expression "the Mortgagor" includes the heirs, executors, administrators, successors and assigns of the Mortgagor and the expression "the Mortgagee" includes the successors and assigns of the Mortgagee, and words in the singular include the plural and words in the plural include the singular, and words importing the masculine gender include the feminine and neuter genders where the context so requires; and all covenants, liabilities and obligations entered into or imposed under this Mortgage upon each Mortgagor shall be joint and several and shall be equally binding upon his, her, its or their respective heirs, executors, administrators, successors and assigns. Furthermore, all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagee are equally secured to and exercisable by its successors and assigns.

42. **NATIONAL HOUSING ACT**

If this mortgage is insured by the Canada Mortgage and Housing Corporation, this Mortgage shall also be governed by the provisions of the *National Housing Act*, R.S.C. 1985, c.N-11, as amended or replaced from time to time.

Exhibit "S" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari".

---

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law





LAND TITLE CERTIFICATE

S  
LINC                      SHORT LEGAL                      TITLE NUMBER  
0028 038 271            9924859;27;4            182 036 608

LEGAL DESCRIPTION  
PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE  
ATS REFERENCE: 4;14;67;HB

MUNICIPALITY: LAC LA BICHE COUNTY (LAC LA BICHE)

REFERENCE NUMBER: 072 719 052

---

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
182 036 608	09/02/2018	TRANSFER OF LAND	\$1,900,000	\$1,900,000

OWNERS

1692260 ALBERTA LTD.  
OF BOX 510  
LAC LA BICHE  
ALBERTA T0A 2C0

---

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER		
762 045 482	18/03/1976	EASEMENT
772 153 972	12/08/1977	EASEMENT
182 036 609	09/02/2018	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ONTARIO M2P0A4 ORIGINAL PRINCIPAL AMOUNT: \$1,576,800

( CONTINUED )

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS

182 036 610      09/02/2018 CAVEAT  
RE : ASSIGNMENT OF RENTS AND LEASES  
CAVEATOR - ROYAL BANK OF CANADA.  
2500,10303 JASPER AVE  
EDMONTON  
ALBERTA T5J3N6  
AGENT - CATHERINE A FARNELL

TOTAL INSTRUMENTS: 004

PENDING REGISTRATION QUEUE

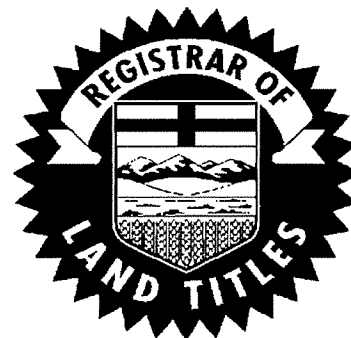
DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D001MZQ	02/03/2022	MAUREEN E. MURDOCH BARRISTER & SOLICITOR 5875259777 CUSTOMER FILE NUMBER: 10498MEM	
001		CERTIFICATE OF LIS PENDENS	9924859;27;4

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 21 DAY OF MARCH,  
2022 AT 01:29 P.M.

ORDER NUMBER: 43971996

CUSTOMER FILE NUMBER:



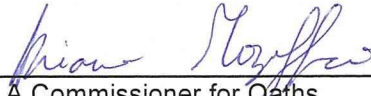
\*END OF CERTIFICATE\*

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.

Exhibit "T" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta  
KIANA MOZAFFARI  
Student-at-Law

**ASSIGNMENT OF RENTS**

THIS INDENTURE made this 12 day of January, 2018.

BETWEEN:

**1692260 ALBERTA LTD.**

hereinafter called the "Assignor"

OF THE FIRST PART,

and

**ROYAL BANK OF CANADA,**

hereinafter called the "Assignee"

OF THE SECOND PART.

WHEREAS, by a Mortgage dated the 12 day of January, 2018 and registered in the Land Titles Office for the Alberta Land Registration District, the Assignor herein did grant and mortgage unto the Assignee herein the lands and premises more particularly described in Schedule "A" hereto annexed which mortgage secures payment of the sum of **ONE MILLION FIVE HUNDRED SEVENTY SIX THOUSAND EIGHT HUNDRED DOLLARS (\$1,576,800.00)** and interest as therein mentioned and which Mortgage is hereinafter referred to as "the Mortgage". Whenever in this indenture reference is made to the Mortgage, it shall be deemed to include any renewals or extensions thereof and any Mortgage taken in substitution therefor either in whole or in part;

AND WHEREAS it is a condition of the lending of the monies secured or to be secured by the Mortgage, that the Assignor should assign to the Assignee, its successors and assigns, the rents reserved and payable and/or intended to be reserved and payable under, and all advantages and benefits to be derived from, leases of premises erected on the lands and premises more particularly described in Schedule "A" hereto (the "Leases") now or hereafter entered into by the Assignor as landlord with tenants thereof (Lessees), as additional security for the payment of the money secured by the Mortgage, and for the performance of the covenants contained therein;

AND WHEREAS it is agreed that notwithstanding anything in this Indenture contained, the Assignee is not to be bound to advance the said mortgage monies or any unadvanced portion thereof.

NOW THEREFORE THIS INDENTURE WITNESSETH that the Assignor in consideration of the premises, the making of the said Mortgage, and the sum of One (\$1.00) Dollar now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged), doth covenant and agree with the Assignee as follows:

1. The Assignor hereby irrevocably transfers, assigns, and sets over to the Assignee all rents reserved and payable under the Leases and all benefits and advantages to be derived therefrom, to hold and receive the same unto the said Assignee, its successors and assigns.
2. The Assignor covenants and agrees with the Assignee that the Assignor will not, without the consent in writing of the Assignee, permit any prepayment of rents payable under any of the Leases that will result in more than two months' of such rents being prepaid under such Leases, or variation, cancellation or surrender of any of the Leases, or of the terms, covenants, provisos or conditions thereof.
3. The Assignor covenants with the Assignee to perform and observe all the covenants, conditions and obligations binding upon it under the Leases.
4. The Assignor covenants and agrees irrevocably with the Assignee that the Assignee shall have the right to sue for payment and/or for enforcing anything in this Indenture herein contained in any or all of the following ways:
  - a. in its own name;
  - b. in the name of the Assignor; and,
  - c. in the names of both the Assignor and the Assignee jointly.
5. The Assignor agrees to assign any of the said Leases to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors in such case.
6. PROVIDED, however, that until notified to the contrary in writing the Lessees shall pay the rent reserved under the Leases, (but only to the extent that the same may be due and payable under the Leases) to the said Assignor and any notice to the contrary required by this proviso may be effectively given by sending the same by registered mail to any Lessee at its premises on the lands and premises described in Schedule "A" hereto or by delivering the same personally to any Lessee, or an officer of such Lessee.
7. The Assignor does hereby declare that any direction or request from the Assignee to pay the rents reserved to the Assignee shall be sufficient warrant and authority to the said Lessee to make such payments, and the payments of the said rentals to the Assignee shall be and operate as a discharge of the said rents to the said Lessee.
8. The Assignor covenants and agrees with the Assignee not to renew nor extend any of the Leases at rentals reserved and payable of lesser amounts than are now reserved and payable under such Leases unless compelled to do so as the result of an Arbitration Award, or with the consent of the Assignee.
9. The Assignee covenants and agrees with the Assignor to release this Assignment of Rents upon payment in full of the Mortgage in accordance with the terms thereof and that the Assignee will, at the request and cost of the Assignor, reassign any unmatured rents to the Assignor. In the absence of such a request the delivery to the Assignor of a discharge or cessation of the Mortgage shall operate as a release and reassignment of such rents.
10. The Assignor hereby covenants and agrees to and with the Assignee that this Assignment and everything herein contained shall be irrevocable without the consent of the Assignee.
11. PROVIDED that nothing in this Indenture contained shall be deemed to have the effect of making the Assignee responsible for the collection of the said rents or any part thereof or for the performance of any covenants, terms or conditions either by the Assignor or by the Lessees contained in any of the said


Leases, and that the Assignee shall not by virtue of these presents be deemed a mortgagee in possession of the lands and premises described in Schedule "A" hereto and the Assignee shall not be liable to account for any monies other than those actually received by it by virtue of these presents.

12. IT IS AGREED that waiver of or failure to enforce at any time or from time to time any of the rights of the Assignee under or by virtue of this Indenture shall not prejudice the Assignee's rights in the event of the breach, default or other occasion for the exercise of such rights again occurring.

13. IT IS HEREBY DECLARED AND AGREED that these presents and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns.

IN WITNESS WHEREOF the Assignor has executed this Assignment by its proper signing officers duly authorized in that behalf.

1692260 ALBERTA LTD

Per:   
I do have the authority to bind the Corporation  
Richard Kirkill

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

SCHEDULE "A"

LEGAL DESCRIPTION

PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS



Exhibit "U" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
*Student - at - Law*

2018-01-12 16:06:44 54247676

THIS ASSIGNMENT is made as of the 12 day of January, 2018.

BY:

**1692260 ALBERTA LTD.**  
(the "Assignor")

IN FAVOUR OF:

**ROYAL BANK OF CANADA**  
(the "Assignee")

**ASSIGNMENT OF INSURANCE INTEREST**

**WHEREAS:**

- (A) Pursuant to a mortgage of even date made between the Assignor as Mortgagor and the Assignee as Mortgagee (the "Mortgage"), the Assignor mortgaged to the Assignee those lands described in Schedule "A" (the "Lands");
- (B) Pursuant to the terms of the Mortgage, the Assignor is required to insure or have its contractors insure improvements on or being constructed on the Lands against liability arising from or with respect to the Lands or activities or events thereon;
- (C) The Assignor agreed to assign its interest in any and all policies of insurance to the Assignee;

**NOW THEREFORE WITNESSETH** that in consideration of the covenants and agreements contained herein, the receipt of which is hereby acknowledged by the Assignor, and other good and valuable consideration:

- 1. The Assignor hereby assigns, transfers and sets over unto the Assignee all right, title and interest it has or may hereafter have in or under any policies of insurance covering its personal property and under any policies of insurance against fire, boiler explosion and other perils, liabilities or events of any nature whatsoever pertaining to the premises charged by the Mortgage.
- 2. The Assignor further agrees to execute and deliver such other assurances, certificate or documents that the Assignee may require in order to receive the full benefit of or obtain control over the proceeds of any policies of insurance.
- 3. The Assignor shall immediately forward to the Assignee any notices, material, information or cheques received from an insurer respecting any policy of insurance.
- 4. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- 5. This Assignment may be delivered by facsimile or by electronic mail in Portable Document Format (PDF), and when so executed, shall be deemed to be an original.

**THIS ASSIGNMENT** has been executed as of the date set out above.

**1692260 ALBERTA LTD.**

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

*Richard Birkill*  
I do have the authority to bind the Corporation  
Richard Birkill

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

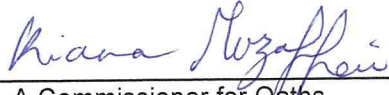
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SCHEDULE "A"

LAND DESCRIPTION

PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

Exhibit "V" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



---

A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

51-41-61-1-50-40-61-02



Collateral Mortgage - General  
Saskatchewan/Alberta/NWT/Nunavut

COLLATERAL MORTGAGE

I/WE, 1692260 ALBERTA LTD.

(hereinafter referred to as the "Mortgagor") having an address at Box 510, Lac La Biche,  
*(Street Address)* *(City)*  
Alberta, TOA 2C0, being registered owner *(or for the purposes of land located*  
*(Province)* *(Postal Code)*

*in Northwest Territories or Nunavut Territory, being or being entitled to become registered owner)*  
*of an estate in fee simple/leasehold estate (and for the purposes of land located in Alberta*  
*only, subject to registered encumbrances, liens and interests, if any) (and for the purposes of land located in Northwest*  
*Territories or Nunavut Territory only, subject to the encumbrances and interests listed below or which apply under the*  
*applicable Land Titles Act) in all that piece of land described as follows:*

PLAN 581HW  
BLOCK 1  
LOTS 4 TO 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

(hereinafter referred to as "the land"), IN CONSIDERATION OF the premises herein and other valuable consideration, the receipt and sufficiency of which is acknowledged, hereby covenant with ROYAL BANK OF CANADA, a chartered bank having its Head Office in the City of Montreal, in the Province of Quebec (hereinafter referred to as the

"Mortgagee") and having an office at 36 York Mills Road, 4th Floor  
Toronto, Ontario *(Street Address)* M2P 0A4, as follows:  
*(City)* *(Province)* *(Postal Code)*

- (1) **Charging Clause:** The Mortgagor hereby encumbers, mortgages and charges the land and each and every building and improvement on the land (the "premises") which now or hereafter may be erected thereon (the land and the premises being hereinafter referred to as the "mortgaged property") with payment of:
  - (a) the Liabilities (as hereinafter defined), excluding any portion thereof constituting interest or constituting Enforcement Obligations (as hereinafter defined), up to the amount of ONE MILLION DOLLARS (\$1,000,000.00)
  - (b) the Enforcement Obligations (as hereinafter defined); and
  - (c) interest payable on the Liabilities calculated at the rate and in the manner specified herein or in the instrument or other agreement creating or evidencing the obligation to pay such interest.

"Enforcement Obligations" means all amounts payable hereunder which are stated to constitute Enforcement Obligations.

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"Liabilities" means all amounts owing to the Mortgagee from time to time in respect of any current or running account or revolving line of credit and all indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (which includes for greater certainty all Enforcement Obligations) whether present or future, direct or indirect, absolute or contingent, matured or not, and whether incurred or arising before, during or after the time that the Mortgagor is the owner of the mortgaged property, and whether arising within or outside Canada, and whether incurred by or arising from any agreement or dealing between the Mortgagee and the Mortgagor or by or from any agreement or dealing with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Mortgagor, or however otherwise incurred or arising, and whether the Mortgagor be bound alone or with another or others, and whether as principal, guarantor or surety.

"Prime Rate" means the annual rate of interest established and announced from time to time by the Mortgagee as being a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

- (2) **Liabilities:** These presents are given and taken as general and continuing collateral security to secure payment of the Liabilities and this mortgage shall obtain priority for all Liabilities notwithstanding that at any time or from time to time there may not be any Liabilities then outstanding. The Mortgagor agrees to pay to the Mortgagee each and every amount, indebtedness, liability and obligation forming part of the Liabilities in the manner agreed to in respect of such amount, indebtedness, liability or obligation. Any future or contingent Liability that does not constitute a debt or loan shall accrue and be payable upon the satisfaction of any applicable condition or contingency which is specified in the agreement or dealing creating such Liability or upon the satisfaction of any other condition or contingency which may be applicable to making a determination of whether such Liability is accrued and payable. The accounts and records of the Mortgagee shall, in the absence of manifest error, constitute prima facie evidence of the amount of Liabilities outstanding and owing from time to time by the Mortgagor to the Mortgagee. Unless otherwise specified herein or in an instrument or other agreement creating or evidencing an obligation to pay interest on the Liabilities, the Mortgagor shall pay to the Mortgagee interest on the amount of the Liabilities outstanding from time to time for the period commencing on the date of demand for payment thereof until paid, such interest to be calculated at a rate equal to the Prime Rate plus five ( 5 %) per annum, calculated and payable monthly not in advance, both before and after default and judgment, with interest on overdue interest at the rate aforesaid.
- (3) **Enforcement Obligations:** All Enforcement Obligations shall be payable by the Mortgagor to the Mortgagee upon demand therefor by the Mortgagee to the Mortgagor together with interest thereon from the date such Enforcement Obligations become due and payable until paid, calculated at a rate equal to the Prime Rate plus two percent (2%) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid.
- (4) **No Merger:** Neither the granting of this mortgage nor any proceeding taken hereunder or with respect hereto or under any securities or evidences of securities taken by the Mortgagee, nor any judgment obtained in such proceeding, shall operate as a merger of the Liabilities or of any simple contract debt or in any way suspend payment of, affect or prejudice the rights, remedies or powers, legal or equitable, which the Mortgagee may hold in connection with the Liabilities and any securities which may be taken by the Mortgagee in addition to, by way of renewal of, or in substitution for any present or future bill, promissory note, obligation or security evidencing the Liabilities or a part thereof, or be deemed a payment or satisfaction of the Liabilities or any part thereof or merger therein and any right reserved to the Mortgagee under any document may be exercised by the Mortgagee concurrently or consecutively with or to any other rights reserved to it.

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- (5) **Further Covenants:** The Mortgagor further covenants with the Mortgagee that the Mortgagor:
- (a) has a good title to the land and premises;
  - (b) has the right to mortgage the land and premises and that on default the Mortgagee shall have quiet possession of the land and premises free from all encumbrances;
  - (c) will execute such further assurances of the land and premises as may be requisite; and
  - (d) has done no act to encumber the land and premises.
- (6) **Covenants:** The Mortgagor further covenants with the Mortgagee that:
- (a) **Insurance:** The Mortgagor will forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by the perils of fire and such other perils as the Mortgagee may require, the premises, both during erection and thereafter, for a total amount not less than the lesser of the replacement cost of the premises and the amount of the Mortgagee's interest therein, with an insurance company and under policies satisfactory to the Mortgagee; and each policy of insurance shall provide that every loss shall be payable to the Mortgagee as its interest may appear in accordance herewith, subject to a standard form of mortgage clause approved by the Mortgagee; and each policy of insurance shall provide that the Mortgagee shall receive at least thirty (30) days prior notice of any cancellation or material alteration thereof; and the Mortgagor will forthwith assign, transfer and deliver to the Mortgagee the policies of insurance and all renewal receipts pertaining thereto; and no insurance will be carried on the premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph; and the Mortgagor will not do or omit or cause anything to be done, omitted or caused whereby the policies of insurance may become void; and the Mortgagor will pay all premiums necessary for such purposes promptly as the same shall become due and will deliver evidence of renewal to the Mortgagee at least seven (7) days prior to the expiration of any policy of insurance; and, in the event of any breach of the foregoing covenants respecting insurance, the Mortgagee, without prejudice to its other rights hereunder, may, at its option, effect such insurance to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and forthwith on the happening of any loss or damage, the Mortgagor will 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 the production of this mortgage shall be sufficient authority for the insurance company to pay every such loss to the Mortgagee, and the insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the premises or be paid to the Mortgagor or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part on the Liabilities or any part thereof whether due or not then due; and the Mortgagor hereby releases to the Mortgagee all its claims upon the mortgaged property subject to the said provisos;
  - (b) **Taxes and Encumbrances:** The Mortgagor will pay when and as the same fall due all taxes, rates, levies, assessments, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged property or on this mortgage or on the Mortgagee in respect of this mortgage; and in default of payment, the Mortgagee may pay the amount of such taxes, rates, levies, assessments, liens, charges, encumbrances and claims, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;

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- (c) **Assignment of Rents and Leases:** For the better securing to the Mortgagee the payment of the Liabilities, the Mortgagor hereby gives, grants, assigns, transfers and sets over unto the Mortgagee all leases, agreements, tenancies, quotas and licenses which affect the mortgaged property whether written, verbal or otherwise howsoever, including all renewals or extensions thereof, together with all rents and other monies payable thereunder and all rights, benefits and advantages to be derived therefrom; provided that nothing done in pursuance hereof shall have or be deemed to have the effect of making the Mortgagee responsible for the collection of rent, or of any part thereof, or any income or revenue whatsoever of and from the mortgaged property, or for the performance or observance of any provision of such leases and agreements;
- (d) **Fixtures:** Without restricting the generality of the term "fixtures", fences, plumbing, air-conditioning, ventilating; lighting and water heating equipment, cooking and refrigeration equipment, window blinds, storm windows and storm doors, window screens and screen doors, and all appliances and appurtenances relating thereto which now are or may hereafter be placed upon the mortgaged property by the Mortgagor or which now are or may hereafter be attached to the mortgaged property by the Mortgagor, and all farm machinery, improvements and irrigation systems, fixed or otherwise, and even though not attached to the land otherwise than by their own weight, shall be deemed to be fixtures and all fixtures shall form a part of the mortgaged property and are charged by and subject to this mortgage;
- (e) **Good Repair:** The Mortgagor will not remove any fixtures of any kind from the mortgaged property, and will keep the premises and all fixtures, gates, fences, drains and improvements for the time being subject to this mortgage in good and substantial repair, and will at all times make such repairs to, and if incomplete, will complete such buildings and improvements as may be required by the Mortgagee in writing; and will not without the consent in writing of the Mortgagee, commit or permit any kind of waste on the mortgaged property; and in default of any of the foregoing the Mortgagee may at its option enter upon the mortgaged property from time to time in order to inspect, and may at its option complete, repair and keep in repair the said premises, fixtures, gates, fences, drains and improvements without thereby becoming liable as mortgagee in possession and the amount expended by the Mortgagee in doing all or any of the foregoing things shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (f) **Erection of Improvements:** The Mortgagor will not, without the consent of the Mortgagee in writing, erect or permit to be erected on the mortgaged property any improvement, or enter into any contract that may cause the mortgaged property to be encumbered by a lien for work done, labor provided, services performed or material supplied and will keep the mortgaged property free from same;
- (g) **Inspection:** The Mortgagee, its agents, employees, and independent contractors may at any time enter upon the mortgaged property to inspect the mortgaged property, and where deemed necessary and/or advisable by the Mortgagee, to conduct investigations thereon, including, without limiting the generality of the foregoing, intrusive testing and sampling on the mortgaged property for the purpose of determining the presence of or the potential for environmental pollution, and the reasonable cost of such inspection and investigations paid for by the Mortgagee including any intrusive testing and sampling shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation;
- (h) **No Other Encumbrances:** The Mortgagor will not, without the consent of the Mortgagee in writing, grant, create, assume or suffer to exist any mortgage, charge, lien or other encumbrance against the mortgaged property, whether ranking in priority to or subsequent to this mortgage, and the Mortgagee may pay the amount of any mortgage, charge, lien or other encumbrance, now or hereafter existing upon the mortgaged property having or claiming priority over this mortgage. All monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation; and



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- (i) **Compliance with Laws:** The Mortgagor covenants with the Mortgagee to at all times promptly observe, perform, execute and comply with all applicable laws, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, building construction, builders' liens, or public health and safety, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance and will at its own expense make any and all improvements thereon or alterations to the mortgaged property, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, and the Mortgagor will cause its tenants, agents and invitees to comply with all the foregoing at their own expense.
- (7) **Environmental Provisions:** The Mortgagor represents and warrants to the Mortgagee that there is no product or substance on the mortgaged property or on any property adjacent thereto which contravenes any environmental law or which is not being dealt with according to best recognized environmental practices, and that the mortgaged property is being used in compliance with all environmental laws. The Mortgagor will give the Mortgagee immediate notice of any material change in circumstances which would cause any of the foregoing representations and warranties to become untrue. The Mortgagor will indemnify the Mortgagee and each of its directors, officers, employees, agents and independent contractors, from all loss or expense (including, without limitation, legal fees on a solicitor and his own client basis) due to the Mortgagor's failure to comply with any environmental law or due to the presence of any product or substance referred to in this paragraph, as well as any lien or priority asserted with respect thereto, and this indemnity shall survive the discharge of this mortgage or the release from this mortgage of part or all of the mortgaged property. All amounts payable to the Mortgagee in respect of such indemnity shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation.
- (8) **Remedies for Breach of Covenants:** In the event of non-payment when due of the Liabilities or a part thereof, or upon breach of or default under any provision of any agreement evidencing or relating to the Liabilities or a part thereof, or upon breach of or default in any provision of this mortgage:
- (a) **Liabilities Due:** The Liabilities shall immediately become due and payable at the option of the Mortgagee unless such non-payment, breach or default is waived or postponed by the Mortgagee;
- (b) **May Enter on to Mortgaged Property to Lease or Sell:** The Mortgagee may on giving the minimum notice, if any, according to applicable law, enter on and lease or sell the mortgaged property; and the Mortgagee may collect the rents and profits and lease or sell as aforesaid without entering into possession of the mortgaged property; and the Mortgagee is hereby irrevocably appointed the attorney of the Mortgagor for the purpose of making such lease or sale, and for recovering all rents and sums of money that may become or are due or owing to the Mortgagor in respect of the mortgaged property, and for enforcing all agreements binding on any lessee or occupier of the mortgaged property or on any other person in respect of it, and for taking and maintaining possession of the mortgaged property, and for protecting it from waste, damage or trespass, and for making arrangements for completing the construction of, repairing or putting into order any buildings or other improvements on the mortgaged property, and for harvesting, threshing and marketing any crops on the land, keeping down and destroying any noxious weeds, summer fallowing, and working, breaking and otherwise farming any farm land, and for conducting remediation to bring the mortgaged property in compliance with recognized environmental standards, statutory or otherwise, and for executing all instruments, deeds and documents pertaining thereto, and for doing all acts, matters and things that may be necessary for carrying out the powers hereby given; and any such sale may be either for cash or on credit, or part cash and part credit, and by private sale or public auction, and at such sale the whole or any part of the mortgaged property may be sold; and the Mortgagee may vary or rescind any contract of sale made by virtue of these presents, and may buy in and resell the mortgaged property or any part thereof, without being responsible for any loss or deficiency on resale or expense occasioned thereby, and may sell on such terms as to credit or otherwise as to it shall seem appropriate, and for such prices as can reasonably be obtained therefor, and may make any stipulation as to title or evidence or commencement of title or otherwise as to it may seem proper, and no purchaser or lessee under such power shall be bound to inquire into the legality or regularity of any sale or lease under the said power, or to see to the application of the proceeds thereof, nor shall any omission, irregularity or want of notice invalidate or in any way affect the legality of any such sale or lease; and out of the money arising from such sale

or lease the Mortgagee shall be entitled to retain an amount equal to the Liabilities together with all expenses incurred in or about taking, recovering or keeping possession of the mortgaged property, selling or leasing the same or otherwise by reason of any default of the Mortgagor hereunder, including solicitor's fees and disbursements as between a solicitor and his own client, and any balance of monies remaining after the satisfaction of all claims of the Mortgagee, as hereinbefore provided, shall be paid to the Mortgagor but the Mortgagee shall in no event be liable to pay to the Mortgagor any monies except those actually received by the Mortgagee;

- (c) **Foreclosure:** The Mortgagee may take foreclosure or foreclosure and sale proceedings in respect of the mortgaged property in accordance with the provisions of the laws of the jurisdiction in which the mortgaged property is situate; and in the event of any deficiency on account of the Liabilities remaining due to the Mortgagee after realizing all the mortgaged property, then the Mortgagor will pay to the Mortgagee on demand the amount of such deficiency together with interest thereon until paid, calculated at a rate equal to the Prime Rate plus five ( 5 %) per annum, calculated and payable monthly, not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. In the event foreclosure proceedings are commenced in respect of the mortgaged property, then from the time of the application for an order nisi in such proceedings, the rate of interest payable under this mortgage shall, at the option of the Mortgagee, be fixed at the rate applicable under this mortgage at that time and shall thereafter remain at such fixed rate unless and until such proceedings have been settled or discontinued;
- (d) **Distrain:** The Mortgagee may distrain for arrears of the Liabilities, and as part of the consideration for any advance or creation of the Liabilities, the Mortgagor agrees to waive, and hereby waives, on the exercise of any such right of distress all rights to exemptions from seizure and distress under any law applicable in the jurisdiction in which the mortgaged property is situate;
- (e) **Receivership:** The Mortgagee may appoint a receiver of the mortgaged property and of the income of the mortgaged property, or any part thereof, and every such receiver shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for the receiver's acts or defaults; and such receiver shall have power to demand, recover and receive all the income of the mortgaged property, by action, distress or otherwise, either in the name of the Mortgagor or of the Mortgagee, and to give effectual receipts for the same; and the receiver may lease the mortgaged property and execute contracts in the name of the Mortgagor; provided that such receiver may be removed and a new receiver appointed from time to time by the Mortgagee, by writing under the hand of any authorized agent or solicitor; and it is further agreed that such receiver shall be entitled to retain out of the monies received by it a commission of five percent (5%) of the gross receipts, or such higher rate as any judge of any court having jurisdiction may allow upon application by it for that purpose, and also its disbursements in the collection of such income, and thereafter shall apply all monies received by it as such receiver as follows: namely, in discharge of all taxes, rates and accounts payable whatsoever affecting the mortgaged property and all liens, charges (including, without limitation, those imposed under environmental laws), annual sums or other payments and interest thereon, if any, having priority to this mortgage; in payment of the premiums on insurance payable under this mortgage; in payment of the cost of all necessary or proper repairs to the mortgaged property; and the balance, if any, thereafter upon the Liabilities; provided further that neither the existence of the foregoing relating to attornment, to distrain for arrears, to entry upon the mortgaged property, to foreclosure and to the said receivership, nor anything done by virtue thereof, shall render the Mortgagee a mortgagee in possession so as to be accountable for any monies except those actually received; and
- (f) **Performance of Obligations:** The Mortgagee, at its option, may by and on behalf of the Mortgagor and at the sole cost and expense of the Mortgagor, and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed, any provision with respect to which default has occurred hereunder or under any provision of any agreement or dealing evidencing the Liabilities and for such purpose make such payments as are contemplated herein, and all monies expended by the Mortgagee for any such purpose shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation; provided however that nothing herein contained shall be deemed to hold the Mortgagee responsible for and the Mortgagee shall not be responsible for any loss arising out of its or its agents' or employees' observance or performance of any such provision. No remedy herein conferred is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any security collateral hereto or now or hereafter existing at law or in equity.

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- (9) **Bankruptcy:** If the Mortgagor shall commit an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, become bankrupt or insolvent or shall be subject to the provisions of the Bankruptcy and Insolvency Act, the Companies Creditors Arrangement Act, the Winding Up Act or any other Act for the benefit of creditors or relating to bankrupt or insolvent debtors or go into liquidation either voluntarily or under an order of a court of competent jurisdiction or make a general assignment for the benefit of its creditors or otherwise acknowledge its insolvency; the same shall constitute a breach of covenant pursuant to this mortgage.
- (10) **Costs to Protect Security:** All fees, charges, costs (including solicitor's fees and disbursements as between a solicitor and his own client) or expenses levied or charged by any solicitors or inspectors retained by or on behalf of the Mortgagee for the preparation, taking, registration, maintenance, protection or enforcement of this mortgage and any other securities which may be taken by the Mortgagee in connection with the Liabilities or any part thereof, together with the costs of any sale or abortive sale and of taking, recovering and keeping possession of the mortgaged property, the costs of inspecting or managing the same and generally any costs in any other proceeding, matter or thing taken or done in connection with or for completing the construction of, repairing or putting in order any buildings or other improvements on the mortgaged property; or for remediation to bring the mortgaged property into compliance with recognized environmental standards, statutory or otherwise, or to protect or realize upon this mortgage or any other security taken in connection with the Liabilities; or to perfect the title of the mortgaged property, or relating to expropriation of part or all of the mortgaged property, shall be payable by the Mortgagor to the Mortgagee on demand and shall constitute an Enforcement Obligation. If the Mortgagor shall default in payment of any Enforcement Obligation on demand, the Liabilities shall at the option of the Mortgagee forthwith become due and payable unless such default is waived or postponed by the Mortgagee.
- (11) **Extension or Replacement of Covenants:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, in respect of the Liabilities or any part thereof give an extension of time, take the covenant of any purchaser of the equity of redemption of the mortgaged property or any part thereof, or any security whatsoever from them or from any other person, for the assumption and payment of the whole or any part of the Liabilities or for the due performance of any of the provisions hereof and any such action on the part of the Mortgagee shall not release the Mortgagor or any guarantor or surety from payment of the Liabilities or any part thereof or the performance of the said provisions or any of them; and the Mortgagee may also, in its discretion, compound with or release the Mortgagor or any one claiming under it, or any other person liable for payment of the Liabilities, or surrender, release or abandon or omit to perfect or enforce any securities, remedies or proceedings which the Mortgagee may now or hereafter hold, take or acquire, and may pay all monies received from the Mortgagor or others, or from securities upon such part of the Liabilities as the Mortgagee may think best without prejudice to or in any way limiting or lessening the liability of the mortgaged property or of any surety or obligor or any other person liable for payment of the Liabilities; and the Mortgagee shall incur no liability to any person by reason of anything aforesaid; any provision or liability aforesaid shall continue in full force as long as any of the Liabilities remain unpaid, but the Mortgagee shall not be bound to exhaust its recourse or remedies against the mortgaged property or the Mortgagor or other parties or the securities it may hold before being entitled to payment from any guarantor or surety of the Liabilities.
- (12) **Release of Lands:** The Mortgagee may, in its discretion and with or without the consent of the Mortgagor or any guarantor or surety, release any part of the mortgaged property or any other security for the Liabilities either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by it and without thereby releasing any other part of the mortgaged property, or any provision hereof, including any covenants or agreements on the part of any guarantor or surety for the payment of the Liabilities and the performance of the provisions hereof.
- (13) **No Waiver:** The permitting of or the acquiescence in the non-performance or non-observance of or the extension of time for the performance of any of the provisions of this mortgage shall not be or constitute any waiver of or cure any continuing or subsequent default, and shall not justify any default or delay on any other occasion and no waiver shall be inferred from or implied by anything done or omitted by the Mortgagee, except by express agreement.

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- (14) **No Apportionment:** Every part, lot or unit into which the mortgaged property is or may hereafter be divided stands charged with the whole of the Liabilities and no person shall have any right to require the Liabilities to be apportioned on or in respect of any such part, lot or unit, or to require the charge of this mortgage to be released or discharged in respect of any such part, lot or unit, and the Mortgagor hereby waives any provision of any legislation which provides for such right.
- (15) **All Taxes Paid:** The Mortgagor represents and warrants that it has paid all taxes, interest and penalties payable by it under the provisions of federal, provincial and municipal statutes or by-laws relating thereto, and which may create a charge or lien upon the mortgaged property.
- (16) **Expropriation:** In the event that the whole or any material portion of the mortgaged property is expropriated by any entity empowered to do so, then at the option of the Mortgagee all Liabilities shall forthwith become due and payable. The Mortgagor hereby waives the provisions of any law applicable in the jurisdiction in which the mortgaged property is situate which would restrict recovery under this mortgage to recovering the market value of this mortgage at the date of any expropriation if the market value is then less than the amount of the Liabilities. In the event such market value is less than the amount of the Liabilities and the Mortgagee receives from the expropriating authority the market value of this mortgage, the Mortgagor shall, notwithstanding the provisions of any such law, forthwith upon demand pay to the Mortgagee the remaining portion as a separate debt together with interest thereon until paid at a rate equal to the Prime Rate plus five ( 5 %) per annum, calculated and payable monthly not in advance, both before and after maturity, default and judgment, with interest on overdue interest at the rate aforesaid. The proceeds from any expropriation affecting the whole or any part of the mortgaged property shall be paid to the Mortgagee in priority to the claims of any other person.
- (17) **Discharge:** The Mortgagor shall not be entitled to a discharge of this mortgage unless and until the Liabilities have been paid in full or are no longer in existence, the Mortgagee has no further obligations to the Mortgagor in respect of any Liabilities and the Mortgagor has kept and performed all of the provisions hereunder and under any provision of any agreement evidencing the Liabilities; and the Mortgagee shall have a reasonable time after payment or termination of the Liabilities within which to prepare or have prepared an executed discharge of this mortgage, and interest shall continue to run and accrue until all Liabilities have been paid and actual payment in full has been received by the Mortgagee and all legal and other expenses for the preparation and execution of such discharge and any administration fee of the mortgagee in connection therewith shall be borne by the Mortgagor.
- (18) **Condominium Units:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property constitutes a condominium or a unit in a condominium:
- (a) The Mortgagor covenants with the Mortgagee that the Mortgagor will observe and perform each and every provision required to be observed and performed under or pursuant to the terms of this mortgage, each and every provision of any law applicable in the jurisdiction in which the mortgaged property is situate which affects such condominium or unit in a condominium and the by-laws and any amendments thereto of the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium being charged by this mortgage (hereafter referred to as the "Condominium Corporation");
  - (b) Without limiting the generality of the foregoing subparagraph, the Mortgagor covenants to pay promptly when due any and all unpaid assessments, instalments or payments due to the Condominium Corporation;
  - (c) In addition to the Mortgagor's obligations hereunder to insure the mortgaged property, the Mortgagor covenants and agrees to provide the Mortgagee, from time to time upon the Mortgagee's request, with evidence satisfactory to the Mortgagee that the Condominium Corporation keeps the condominium insured in favour of the Mortgagee against all risks of direct physical loss or damage on a replacement cost basis for an amount equal to the full replacement value of the condominium; provided that, if the Condominium Corporation neglects to keep the condominium insured as aforesaid, the Mortgagee shall be entitled but shall not be obligated to insure the condominium to a value deemed, in the sole opinion of the Mortgagee, adequate to protect the Mortgagee's insurable interest and any amount paid therefor by the Mortgagee shall be payable on demand and shall constitute an Enforcement Obligation;

- (d) As a member of the Condominium Corporation, the Mortgagor covenants and agrees to seek the full compliance by the Condominium Corporation with the requirement that the Condominium Corporation insure the condominium; and the Mortgagor hereby releases to the Mortgagee all of the Mortgagor's claim upon the Condominium Corporation, subject to the terms of the said insurance policy;
  - (e) The Mortgagee authorizes the Mortgagor to vote respecting all matters relating to the affairs of the Condominium Corporation, provided that the Mortgagee may at any time upon written notice to the Mortgagor and the Condominium Corporation, revoke this authorization, in which case all power to vote shall rest in the Mortgagee, although the Mortgagee shall be under no obligation to vote to protect the interests of the Mortgagor or to vote in any particular manner;
  - (f) The Mortgagor further covenants that, where the Mortgagor defaults in the Mortgagor's obligations to pay any assessment, instalment or payment due to the Condominium Corporation, or upon breach of any provision contained in this paragraph, regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor, may deem such default to be default under the terms of this mortgage and proceed to exercise its rights herein;
  - (g) Upon default herein and notwithstanding any other right or action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessment, instalment or payment due to the Condominium Corporation or arising under this paragraph; and
  - (h) The Mortgagor covenants to request the Condominium Corporation to send to the Mortgagee copies of all notices sent to the Mortgagor, and the Mortgagor covenants to notify the Mortgagee of any breaches by the Condominium Corporation that come to the attention of the Mortgagor.
- (19) **Farm Lands:** Notwithstanding anything to the contrary herein contained, in the event that the mortgaged property is or includes farm lands:
- (a) In addition to the Mortgagor's obligations herein to insure the mortgaged property, the Mortgagor covenants and agrees to forthwith insure and during the continuance of this mortgage keep insured in favour of the Mortgagee against loss or damage by hail and such other perils as the Mortgagee may require, all crops now or hereafter to be grown on the land;
  - (b) The Mortgagor will in each year during the currency of this mortgage either put into crop or summer fallow in good, proper and husbandlike manner every portion of the land which has been, or may hereafter be brought under cultivation, and will keep the land clean and free from all noxious weeds and generally see that the mortgaged property does not depreciate in any way; and
  - (c) The Mortgagor will pay when and as the same fall due any charges for keeping down and destroying noxious weeds on the land and in default of payment the Mortgagee may pay the same, and all monies so paid by the Mortgagee shall be payable by the Mortgagor to the Mortgagee upon demand and shall constitute an Enforcement Obligation.
- (20) **Due on Sale or on Change in Ownership:** In the event that the Mortgagor shall sell, convey, transfer or otherwise dispose of the mortgaged property, or enter into any agreement to sell, convey, transfer or otherwise dispose of or lose title thereto, the Liabilities shall forthwith become due and payable at the option of the Mortgagee. In the event that the Mortgagor is a corporation, and in the event that there is a sale or sales which result in a transfer of the legal or beneficial interest of a majority of the shares in the capital of the Mortgagor or there is a change in the effective control of a majority of the voting shares in the capital of the Mortgagor, then the Liabilities shall forthwith become due and payable at the option of the Mortgagee.
- (21) **Cross Default:** In the event that the Mortgagor makes default under any mortgage, charge, lien or other encumbrance against the mortgaged property ranking or claiming priority over this mortgage, the same shall constitute default under this mortgage and the Liabilities shall at the option of the Mortgagee forthwith become due and payable, and the Mortgagee shall be at liberty to exercise its rights under this mortgage.

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(22) **No Obligation to Advance:** Neither the execution nor registration of this mortgage nor the advancing or creation of any part of the Liabilities shall bind the Mortgagee to advance or create any further Liabilities; and notwithstanding anything herein contained, all payments to be made on or by virtue of this mortgage shall be made in lawful money of Canada to the Mortgagee at its Head Office or at such other place as the Mortgagee may, from time to time, in writing designate.

(23) **Proving of Prime Rate:** In the event that it may be necessary at any time for the Mortgagee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Manager for the time being of the branch of the Mortgagee responsible for the collection of the Liabilities setting forth the Prime Rate as at any time or times shall be and shall be deemed to be conclusive evidence as to the Prime Rate.

(24) **Lawful Interest Rate:** In the event interest chargeable or payable on principal or interest or on arrears of principal or interest as provided for in this mortgage is in excess of that permitted by the Interest Act (Canada) or any other applicable law, then in such event, interest payable and chargeable on such principal or interest or on arrears of principal or interest under this mortgage shall be chargeable and payable at the highest lawful rate permitted by the Interest Act (Canada) or such other applicable law and no other interest on principal or interest or on arrears of principal or interest shall be chargeable or payable hereunder.

(25) **Type of Land Ownership:**

(a) **Freehold:** If this mortgage is a mortgage of a fee simple interest, the Mortgagor represents and warrants to the Mortgagee that it has a fee simple interest in possession in the mortgaged property and that it has full power to mortgage the mortgaged property.

(b) **Leasehold:** If the interest of the Mortgagor in the mortgaged property derives from a lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license of the mortgaged property (such lease, sublease, agreement to lease, tenancy, right of use or occupation, right of first refusal to lease, option to lease or license including any renewal, extension, modification, replacement or assignment thereof is hereinafter collectively called the "Lease"), then the following additional provisions apply with respect to such interest:

(i) all references in this mortgage to "mortgaged property" shall include all right, title and interest of the Mortgagor from time to time in and to the Lease and the lands and premises demised under the Lease, including any greater right, title or interest therein or in any part thereof acquired after the date of this mortgage;

(ii) the Mortgagor grants, mortgages, demises, sub-leases and charges to the Mortgagee all estate, term, right, title and interest of the Mortgagor in and to the Lease and the mortgaged property, together with any and all other, further or additional title, estate, interest or right therein or any part thereof which may at any time be acquired by the Mortgagor in or to the lands and premises demised by the Lease during the term of the mortgage, and all benefit and advantage therefrom for the Mortgagee including any right or option to purchase or to lease contained therein, to have and to hold for and during the remainder of the term of the Lease, save and except the last day thereof, as security for the payment to the Mortgagee of the Liabilities; plus the interest on the Liabilities, Enforcement Obligations and all other amounts secured by this mortgage and for the performance of all liabilities and obligations secured by this mortgage upon the terms set out in this mortgage;

(26) **Representations and Warranties regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold title, the Mortgagor represents and warrants to the Mortgagee that:

(a) the leasehold estate which is the subject of this mortgage arises under the Lease, which has not been further modified or amended;

(b) the Lease is a valid, effective and subsisting lease which has not been surrendered or forfeited, and the Lease is not presently subject to any assignment, mortgage or other encumbrance;

(c) the Mortgagor has taken possession of the mortgaged property and all sums due under the Lease have been paid in full to the date hereof;

UNIVERSITY OF SASKATCHEWAN

(d) the Mortgagor has full power to mortgage the Lease (subject to the consent, if necessary, of the lessor), and if the consent of the lessor is required, such consent has either been obtained or will be obtained prior to any advance of monies secured by this mortgage; and

(e) "Lease" means the lease from \_\_\_\_\_ to \_\_\_\_\_ dated \_\_\_\_\_ commencing on \_\_\_\_\_ and expiring on \_\_\_\_\_, subject only to the following amending agreements, if any:

(27) **Covenants regarding Leasehold Title:** If this mortgage is a mortgage of a leasehold estate, the Mortgagor covenants with the Mortgagee that:

(a) it will not modify or amend or consent to any modification or amendment to the Lease without the prior written consent of the Mortgagee;

(b) it will not surrender or forfeit or consent to any surrender or forfeiture of the Lease, and it will not without the prior written consent of the Mortgagee further assign, mortgage or otherwise-encumber the Lease;

(c) it will not postpone or subordinate its interest in Lease to any other mortgage or encumbrance without the prior written consent of the Mortgagee;

(d) it will faithfully comply with each provision of the Lease and will do all things necessary to preserve the Lease and the lessee's rights thereunder;

(e) it will promptly notify the Mortgagee of any default under the Lease by the Mortgagor, or the giving or receipt of any notice of default in respect thereof, and it agrees to request that the lessor provide the Mortgagee with the opportunity (but not the obligation) to cure any default under the Lease and any amount which may be required to be paid by the Mortgagee to cure such default and the costs thereof (including any legal costs as between solicitor and client) shall constitute an Enforcement Obligation;

(f) the Mortgagor will notify the Mortgagee of each and every notice of default, demand or claim forwarded to or served upon the Mortgagor by the lessor under the Lease;

(g) it will notify the Mortgagee promptly in writing after learning of any condition that with or without the passage of time or the giving of any notice might result in a default under or the termination of the Lease;

(h) if the Mortgagor becomes the owner of the freehold title to the mortgaged property, then  
if the mortgaged property is located in Alberta or Saskatchewan, it hereby mortgages to the Mortgagee all of its estate and interest in the mortgaged property, freehold and otherwise, such mortgage to take effect on the Mortgagor acquiring the freehold title thereof, and this mortgage will thereupon be deemed to be a mortgage of the freehold title as if the Mortgagor had been the owner in fee simple at the date of execution of this mortgage and the Mortgagor agrees, if so requested by the Mortgagee, to execute in favour of the Mortgagee a mortgage covering the freehold estate on the same terms and conditions as are contained in this mortgage; and

if the mortgaged property is located in the Northwest Territories or Nunavut Territory, it agrees to provide to the Mortgagee, on request, a mortgage of all of its estate and interest in the mortgaged property, freehold and otherwise;

(i) it will indemnify the Mortgagee against any claims and demands in respect of the Lease, including any legal costs incurred by the Mortgagee in connection therewith, on a solicitor and client basis;

(j) the Mortgagor will at all times promptly observe and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal, or otherwise, and all private covenants and restrictions affecting the mortgaged property or any portion thereof and the Mortgagor

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will from time to time, upon request of the Mortgagee, provide to the mortgagee evidence of such observance and compliance, and will at its own expense make any and all improvements thereon or alterations to the mortgaged property structural or otherwise; and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

- (k) if this mortgage is outstanding at the end of the term of the Lease, it will at the appropriate time seek a renewal of the Lease or the issuance of a new lease in substitution and will promptly notify the Mortgagee if it becomes aware that such a renewed or substituted lease may not be forthcoming. The Mortgagor will provide a copy of any such renewed or substituted lease to the Mortgagee upon issuance and such a renewed or substituted lease will be included within the definition of the Lease hereunder and for greater certainty, will be subject to this mortgage.
  - (l) The Mortgagor agrees that it will from the date of execution of this mortgage stand possessed of the last day of the term of the Lease (whether it is the last date of the present term or of any extended term) and all rights, privileges and options of the Mortgagor under the Lease, in trust for the Mortgagee. The Mortgagor further agrees it will assign and dispose of said last day, consistent with the terms of the Lease, as the Mortgagee may direct, but subject to the Mortgagor's right of redemption. The Mortgagor irrevocably appoints the Mortgagee as its attorney for on on behalf of the Mortgagor and in its name or otherwise; to assign the said last day and privileges as the Mortgagee shall at any time direct, consistent with the terms of the Lease. The Mortgagor further agrees that upon a sale or other disposition made by the Mortgagee, and if requested by the Mortgagee, to assign the last day and privileges and options relating thereto to the purchaser or assignee and to exercise any and all assignments and transfers for that purpose; and the Mortgagee may at any time, by deed or other instrument, remove the Mortgagor or any other person as trustee for the last day and appoint a new trustee or trustees in its place.
  - (m) **Information:** The Mortgagor authorizes the Mortgagee to contact the lessor from time to time to obtain information regarding the rent or other sums payable under the Lease, the status of payment thereof and any other information relating to the Lease or default thereunder.
  - (n) **Breach:** The Mortgagor agrees that it will be deemed to constitute a breach of the provisions of this mortgage if the leasehold estate which is the subject of this mortgage ceases to exist.
- (28) **Special Provisions:** The Mortgagor covenants with the Mortgagee that in the event the mortgaged property is situate in the Province of Saskatchewan and the Mortgagor is a body corporate, the Mortgagor agrees that:
- (a) The Land Contracts (Actions) Act of the Province of Saskatchewan shall have no application to an action, as defined in the said Act, with respect to this mortgage; and
  - (b) The Limitation of Civil Rights Act of the Province of Saskatchewan, or any provision thereof shall have no application to this mortgage or any agreement or instrument renewing or extending or collateral to this mortgage, or the rights, powers or remedies of any other person under this mortgage, or any such agreement or instrument renewing or extending or collateral to this mortgage.
- (29) **Severability:** If any provision of this mortgage or the application thereof to any person is to any extent held invalid or unenforceable, the remainder of this mortgage or the application of such provision to persons other than those with respect to which it is held invalid or unenforceable shall not be affected thereby and shall continue to be enforceable to the fullest extent permitted by law.
- (30) **Joint and Several:** In the event there is more than one Mortgagor hereunder, the terms, conditions and other obligations of each Mortgagor hereunder shall be joint and several.
- (31) **Interpretation:** The words used herein which import the singular number and neuter shall be read and construed as plural and feminine or masculine, as the case may be, and the terms of this mortgage shall be binding upon and apply to the party's heirs, executors, administrators, successors or assigns, as applicable.



2016-03-03 14:56:27

- (32) Statutory Mortgage Clause: And for better securing to the Mortgagee the repayment in the manner aforesaid of the Liabilities, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the mortgaged property.
- (33) Land Titles Act: It is understood and intended that this mortgage is made with reference to and under the Land Titles Act of the jurisdiction in which the mortgaged property is situate.

IN WITNESS WHEREOF THIS MORTGAGE IS SIGNED, SEALED AND DELIVERED THIS 3 day of March, 2016.

in the presence of )  
 )  
 )  
 (Witness) \_\_\_\_\_ )  
 )  
 )  
 (Witness) \_\_\_\_\_ )  
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 )  
 (Witness) \_\_\_\_\_ )  
 )  
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 )

\_\_\_\_\_  
 (Mortgagor) (seal)

\_\_\_\_\_  
 (Mortgagor) (seal)

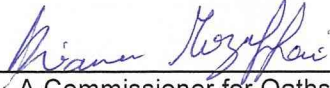
1692260 ALBERTA LTD  
 Name of Mortgagor (if Corporation)

By: \_\_\_\_\_  
 Richard Birrell  
 Title: Director c/s

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit "W" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law



LAND TITLE CERTIFICATE

S		
LINC	SHORT LEGAL	TITLE NUMBER
0026 648 741	581HW;1;4-6	162 077 784

LEGAL DESCRIPTION  
 PLAN 581HW  
 BLOCK 1  
 LOTS 4 TO 6 INCLUSIVE  
 EXCEPTING THEREOUT ALL MINES AND MINERALS  
 AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE  
 ATS REFERENCE: 4;18;67;21;NE

MUNICIPALITY: ATHABASCA COUNTY

REFERENCE NUMBER: 082 035 634

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
162 077 784	16/03/2016	TRANSFER OF LAND	\$1,200,000	SEE INSTRUMENT

OWNERS  
 1692260 ALBERTA LTD.  
 OF BOX 510  
 LAC LA BICHE  
 ALBERTA T0A 2C0

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
162 077 785	16/03/2016	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ONTARIO M2P0A4 ORIGINAL PRINCIPAL AMOUNT: \$1,000,000
162 077 786	16/03/2016	CAVEAT

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2  
# 162 077 784

REGISTRATION  
NUMBER      DATE (D/M/Y)      PARTICULARS

RE : ASSIGNMENT OF RENTS AND LEASES  
CAVEATOR - ROYAL BANK OF CANADA.  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO  
ONTARIO M2P0A4

TOTAL INSTRUMENTS: 002

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D001MZQ	02/03/2022	MAUREEN E. MURDOCH BARRISTER & SOLICITOR 5875259777 CUSTOMER FILE NUMBER: 10498MEM	
001		CERTIFICATE OF LIS PENDENS	581HW;1;4-6

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 21 DAY OF MARCH,  
2022 AT 01:29 P.M.

ORDER NUMBER: 43972008

CUSTOMER FILE NUMBER:



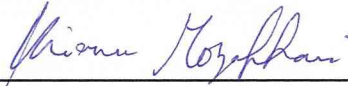
\*END OF CERTIFICATE\*

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.

Exhibit "X" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

1692260 ALBERTA LTD. 1692260 ALBERTA LTD.

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made the 3 day of March, 2016.

BETWEEN:

1692260 ALBERTA LTD.  
of Box 510, Lac La Biche, Alberta, T0A 2C0  
(hereinafter know as "the Borrower")

and

ROYAL BANK OF CANADA  
of 36 York Mills Road, 4<sup>th</sup> Floor, Toronto, Ontario, M2P 0A4  
(hereinafter know as "RBC")

RECITAL:

- A. As continuing security for the payment and performance of all debts, liabilities and obligations of the Borrower to RBC howsoever arising (present and future; absolute and contingent, direct and indirect) (the "Indebtedness") and for value received, the receipt and sufficiency of which the Borrower acknowledges, the Borrower has agreed to assign to RBC all leases, licenses, tenancy agreements or rights of use or occupation of every kind in respect of the lands described in Schedule "A" hereto (the "Premises") or any part thereof (which, as may be amended, extended, renewed or replaced from time to time are herein individually called a "Lease" and collectively the "Leases") and all rents and other payments now or hereafter due under the Leases (the "Rents");

AGREEMENT:

The Borrower agrees with RBC as follows:

- 1. The Borrower assigns to RBC:
(a) all Leases;
(b) all Rents;
(c) the benefit of all guarantees of the Leases; and
(d) the benefit of all covenants by all tenants, lessees, users, occupiers and licencees of the Premises, (collectively called the "Lessees").

with full power and authority to demand, collect, sue for, distrain for, recover, receive and give receipts for the Rents, to enforce payment thereof and to enforce performance of all the Leases in the name of and as agent for the Borrower.

- 2. All Rents shall be recoverable as rent in arrears. Wherever RBC is entitled to levy distress against the goods and personal property of any of the Lessees or to re-enter the premises described in any Lease, RBC may use such force as it sees fit without being liable to any action in respect thereof or for any loss or damage occasioned thereby. The Borrower releases RBC from all actions, proceedings, claims or demands in respect of any such forceable entry or any loss or damage sustained by the Borrower in respect thereof.

3. Notwithstanding any variation of the terms of any agreement or arrangement with the Borrower or any extension of time for payment or any release of part or parts of the Premises, or of any collateral security, this Assignment shall continue as security until the Indebtedness and all terms of any agreement or agreements between the Borrower and RBC in respect of the Indebtedness are fully paid and satisfied.
4. Although this is a present Assignment, RBC shall not exercise its rights hereunder until RBC determines that default has been made in payment of the Indebtedness, or any part thereof, or in the performance of any term contained in any agreement between RBC and the Borrower in respect of the Indebtedness.
5. RBC may waive any default and shall not be bound to serve any notice on any Lessees on the happening of any default. No waiver shall extend to any subsequent default.
6. RBC is not responsible for collecting any Rents or performing any terms under any Lease. RBC shall not be a mortgagee in possession of the Premises by virtue of this Assignment or by virtue of anything done or omitted to be done by RBC in respect of this Assignment. RBC is not under any obligation to take any action or exercise any remedy in the collection or recovery of any Rents or to see to or enforce the performance of any terms of any Lease.
7. RBC shall only be liable to account for moneys which actually come into its hands by virtue of this Assignment, after deduction of all collection charges, inspection fees and other expenses (including legal fees as between a solicitor and his own client on a full indemnity basis) to which RBC may be put in respect of this Assignment and all moneys received by RBC shall be applied on account of any such part of the Indebtedness.
8. The Borrower shall not, without the consent in writing of RBC:
  - (a) assign, pledge or hypothecate the whole or any part of any Leases or Rents other than to RBC;
  - (b) do or permit or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Borrower or obligations of any other party under or in respect of any Lease;
  - (c) terminate, accept a surrender of or amend in any manner any Lease other than month to month tenancies; or
  - (d) receive or permit the prepayment of any Rent for more than two months in advance.
9. The Borrower will from time to time on demand furnish to RBC a current list of all Leases in such detail as RBC required.
10. The Borrower shall execute such further documents as are required by RBC from time to time to perfect this Assignment.
11. This Assignment is taken by way of additional security only. Neither the taking of this Assignment nor anything done in respect of this Assignment shall in any way prejudice or limit the rights of RBC or the obligations of the Borrower under any agreement between the Borrower and RBC or any collateral security thereto.
12. The Borrower will at the request of RBC from time to time give any of the Lessees notice of this Assignment and will obtain from those Lessees acknowledgement of such notice. The notice and

acknowledgement shall be in the form required by RBC and such notice (or any notice of this Assignment given by RBC) shall be effective and binding on each Lessee upon RBC giving the Lessee notice that the Borrower has defaulted under the terms of any agreement between RBC and the Borrower, whether or not there has actually been a default under such agreement.

13. The rights and remedies given to RBC hereunder are in addition to and not in substitution for and shall not in any way derogate from or delay or prejudice any rights or remedies to which RBC may be entitled under or in respect of any other agreement between the Borrower and RBC.
14. The Borrower warrants and represents to RBC that:
- (a) none of the Leases or the Borrower's rights thereunder, including the rights to receive the Rents, has been or will be amended, sublet, assigned, encumbered, discounted, anticipated, waived, reduced, released or abated without the prior written consent of RBC;
  - (b) none of the Rents has been or will be paid prior to the due date for payment thereof other than as permitted by paragraph 8(d) hereof;
  - (c) there has been no default under any Lease by any of the parties thereto;
  - (d) there is no outstanding dispute under any Lease between the Borrower and any of the Lessees;
  - (e) the Borrower has performed and will perform all of its obligations under each Lease;
  - (f) each Lease at the date hereof is valid, enforceable and in full force and effect; and
  - (g) the Borrower now has good right, full power and absolute authority to assign its rights in accordance with this Assignment.
15. The Borrower charges the Premises to RBC to secure the due performance of this Assignment and the payment of all Rents to RBC.
16. RBC or its agent may forthwith register this Assignment at such Registry Offices as RBC sees fit. The Borrower shall not take any steps to challenge or remove any instrument or notice filed in respect of this Assignment until the Indebtedness and all terms of any agreement between the Borrower and RBC in respect of the Indebtedness are fully paid and satisfied.
17. In this Assignment, "Borrower", "Borrowers" and "RBC" include the heirs, executors, administrators, successors and assigns of the Borrower and RBC respectively; the singular number and masculine and neuter genders include the masculine, feminine and neuter genders and the plural number when the context so requires; the "term" or "terms" include conditions, covenants, agreements, stipulations, provisions and obligations. If this Assignment is executed by more than one person as Borrower, all terms herein contained are binding on all Borrowers jointly and severally.

The Borrower has executed this Assignment the day and year first above written.

1692260 ALBERTA LTD.

Per:   
Richard Birkill

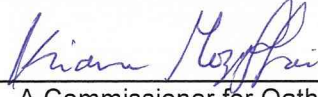


1-10-1916

SCHEDULE "A"

PLAN 581HW  
BLOCK 1  
LOTS 4 TO 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
AND THE RIGHT TO WORK THE SAME

Exhibit "Y" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

**MORTGAGE****LAND TITLES ACT (ALBERTA)**

1. NAME AND ADDRESS OF MORTGAGOR (THE "MORTGAGOR") BIRKILL HOLDINGS LTD. OF BOX 510, LAC LA BICHE, ALBERTA, TOA 2C0
2. NAME AND ADDRESS OF ANY GUARANTOR (THE "GUARANTOR") (if applicable) RICHARD BIRKILL OF BOX 510, LAC LA BICHE, ALBERTA, TOA 2C0
3. MAXIMUM PRINCIPAL AMOUNT FOR WHICH GUARANTOR IS LIABLE (if applicable). (If not completed, the Guarantor shall be liable for the full amount of the Mortgage.) SIX HUNDRED AND TWELVE THOUSAND (\$612,000.00) DOLLARS
4. NAME AND ADDRESS OF MORTGAGEE (THE "MORTGAGEE") ROYAL BANK OF CANADA OF 10 YORK MILLS ROAD, 3RD FLOOR, TORONTO, ONTARIO, M2P 0A2
5. LEGAL DESCRIPTION OF LANDS PLAN 4313BF, BLOCK 10, LOT 24 EXCEPTING THEREOUT ALL MINES AND MINERALS <input type="checkbox"/> leasehold interest <input checked="" type="checkbox"/> Freehold interest
6. PAYMENT PROVISIONS
(a) Principal Amount:    \$ <u>612,000.00</u>
(b) Interest Rate: (i) if fixed rate of interest: <u>2.690</u> % per annum, calculated semi-annually not in advance. <del>(ii) if variable rate of interest based on the Prime Rate: the Prime Rate as it will vary from time to time, plus a premium / minus a discount of _____ % per annum, calculated monthly not in advance. (iii) if RateCapped rate of interest based on the Prime Rate: the Prime Rate, as it will vary from time to time, plus a premium / minus a discount of _____ % per annum, calculated monthly not in advance, the combined total never to exceed _____ % per annum (the "RateCapper Maximum Rate"). calculated monthly, not in advance.</del>

Delete  
inapplicable  
options

(c) Interest Adjustment Date:

April 1, 2013

(d) Payment Date:

1st day of each and every month in each and every year until the Balance Due Date.

(e) First Payment Date:

May 1, 2013

(f) Last Payment Date:

April 1, 2015

(g) Balance Due Date:

April 1, 2015

(h) Payment Amount:

THREE THOUSAND TWO HUNDRED AND NINETY FIVE DOLLARS AND FORTY FIVE CENTS (\$3,295.45)

(i) Calculation Period:

Semi-annually not in advance

(j) Additional Provisions:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Conventional  | <input type="checkbox"/> Conventional High Ratio                               |
| <input type="checkbox"/> National Housing Act   |  |
| <input type="checkbox"/> Progress Advances (you will be advised of the amount of any hold back at the time of each advance) |  |
| <input type="checkbox"/> Interest only  | <input checked="" type="checkbox"/> Blended payments of principal and interest |
| <input type="checkbox"/> Open   | <input checked="" type="checkbox"/> Closed                                     |
| <input type="checkbox"/> Investor Mortgage  | <input type="checkbox"/> Convertible   |

## 7. STANDARD MORTGAGE TERMS

This Mortgage consists of the Mortgagee's set of Standard Form Mortgage Terms ("SMT") filed at the Alberta Land Titles Office as Instrument number 052 346 653 together with all schedules thereto and is subject to the terms contained in the SMT as varied by any deletions from, or amendments or additions to the terms of the SMT as set out herein.

8. DELETED, AMENDED OR ADDED TERMS

See Schedule "A" (if any).

~~For Conventional High Ratio or National Housing Act mortgages: This mortgage is a high ratio mortgage to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the Law of Property Act apply. You and anyone who, expressly or impliedly, assumes this mortgage from you, could be sued for any obligations under this mortgage if there is a default by you or by a person who assumes this mortgage.~~

9. ACKNOWLEDGEMENTS

The Mortgagor hereby acknowledges as follows:


- (a) That the Mortgagor understands the nature of the SMT referred to in clause 7 above and the statements made in the said clause;
- (b) That the Mortgagor has been given a copy of the SMT;
- (c) That the Mortgagor is the registered owner of the mortgaged Property; and
- (d) For better securing to the Mortgagee the repayment in the manner set out above of the Principal Amount and interest and all other indebtedness and obligations of the Mortgagor secured by this Mortgage, the Mortgagor mortgages and charges to the Mortgagee all the Mortgagor's estate and interest in the mortgaged Property.

**THE GUARANTOR HEREBY ACKNOWLEDGES THAT THE GUARANTOR HAS BEEN GIVEN A COPY OF THE SMT.**

10. EXECUTION BY MORTGAGOR

The Mortgagor has executed this Mortgage on March 28, 2013  
(insert date)

\_\_\_\_\_  
Witness BIRKILL HOLDINGS LTD.

\_\_\_\_\_  
Witness Per:   
Richard Birkill

\_\_\_\_\_  
Witness \_\_\_\_\_

11. EXECUTION BY GUARANTOR

The Guarantor has executed the Guarantee of Mortgage on March 28, 2013  
(insert date)

  
Witness - RANDOLPH R. BENSON

  
RICHARD BIRKILL

12. AFFIDAVIT OF EXECUTION

I, \_\_\_\_\_, \_\_\_\_\_  
[name of witness] [occupation]  
of \_\_\_\_\_  
[address]

in the Province of Alberta, make oath and say:

- (a) THAT I was personally present and did see \_\_\_\_\_ and \_\_\_\_\_ named in the within instrument, who are personally known to me to be the person(s) named therein, duly sign, seal and execute the same for the purposes named therein.
- (b) THAT the same was executed at the \_\_\_\_\_ of \_\_\_\_\_, in the Province of Alberta and that I am a subscribing witness thereto.
- (c) THAT I know the said persons and each is in my belief of the full age of eighteen years.

Sworn before me at \_\_\_\_\_ )  
 in the Province of \_\_\_\_\_ )  
 this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ )  
 \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 A Commissioner for Oaths in and for \_\_\_\_\_ )  
 the Province of Alberta \_\_\_\_\_ )

\_\_\_\_\_  
[signature of witness]

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, being  
[name of spouse]

married to the above named \_\_\_\_\_,  
[name of mortgagor]

do hereby give my consent to the disposition of our homestead made in this instrument, and I have executed this document for the purpose of giving up my life estate and other dower rights in the said property given to me by THE DOWER ACT, to the extent necessary to give effect to the said disposition.

\_\_\_\_\_  
[Signature of Non-Owner Spouse]

**CERTIFICATE OF ACKNOWLEDGEMENT BY SPOUSE**

1. This document was acknowledged before me by \_\_\_\_\_  
[name of spouse]

\_\_\_\_\_ apart from her husband (or his wife).

2. \_\_\_\_\_ acknowledged to me that she (or he):

- (a) is aware of the nature of the disposition;
- (b) is aware that THE DOWER ACT gives her (or him) a life estate in the homestead and the right to prevent disposition of the homestead by withholding consent;
- (d) consents to the disposition for the purpose of giving up the life estate and other dower rights in the homestead given to her (or him) by THE DOWER ACT, to the extent necessary to give effect to the said disposition; and
- (d) is executing this document freely and voluntarily without any compulsion on the part of her husband (or his wife).

DATED at \_\_\_\_\_, Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of a Commissioner for Oaths  
in and for the Province of Alberta







## Land Titles Act (Alberta)

### Set of Standard Form Mortgage Terms – Residential (Fixed Rate)

The following set of standard form mortgage terms are deemed to be included in every mortgage of land in which this set of standard form mortgage terms is referred to by its filing number, as referred to in Section 113(4) of the *Land Titles Act (Alberta)*.

This document sets out important terms which apply to the Mortgage and are actually part of the Mortgage. We recommend you read this carefully and you may want to discuss the terms of the Mortgage with a lawyer.

This document describes the financial institution (mortgagee), who is lending you the money, as “we”. The definition of “we” also includes “us” and “our”.

This document describes the person who is being loaned money and giving the Mortgage on your Property as “you”. The definition of “you” also includes “your”. We are lending you money and we protect our interests through the Mortgage on your Property, which gives us certain rights, if you do not do what you promise to do. The specific terms that apply to your Mortgage (for example, the interest rate) are set out in a document that you sign and is registered. We call this the Registered Mortgage.

Generally, when a word is capitalized, the word is defined in Section 1. You should read Section 1 carefully.

#### SECTION 1 – TERMS YOU NEED TO KNOW

The following are used with particular meanings in this set of standard form mortgage terms and in the Registered Mortgage:

- (1) **Balance Due Date** means the date shown in the Registered Mortgage as the date when the Mortgage matures. On this date the Mortgage must be repaid or renewed.

- (2) **Closed Mortgage** means a Mortgage which limits how you can prepay the Outstanding Amount and fixes what Prepayment charges you will be charged, if you do prepay.
- (3) **CMHC** means Canada Mortgage and Housing Corporation. It administers the *National Housing Act* and provides mortgage default insurance to lenders.
- (4) **Convertible Mortgage** means a Closed Mortgage that you can change to another Closed Mortgage with a term of one year or longer at any time.
- (5) **Default** has the meaning shown in section 22.1 below and includes you not keeping a Promise under the Mortgage.
- (6) **First Payment Date** means the date for first payment shown in the Registered Mortgage.
- (7) **HomeProtector® Insurance Premium** means an insurance premium paid by you for optional group creditor life or life and disability insurance. This insurance will pay off the Outstanding Amount if you die or pay the regular mortgage payments (excluding property tax instalment) for a period of time if you become disabled. It is collected as part of your payment. It is different from property insurance which protects your home and its contents. *HomeProtector* insurance is underwritten by The Canada Life Assurance Company and is subject to terms, conditions, exclusions and eligibility restrictions. Please see the *HomeProtector* booklet for full details.
- (8) **Interest Adjustment Date** means the date shown in the Registered Mortgage as the date to which we calculate accrued interest on money advanced to you. This date will be before your first regular payment period. This is the date the Term starts.
- (9) **Interest Only Mortgage** means a Mortgage in which your payments are made up of interest only, paid regularly during the Term. Each month you pay accrued interest only. The payments do not reduce the amount we loaned to you (Principal Amount).
- (10) **Interest Rate** means the interest rate that applies to the Mortgage. The Interest Rate and how it is calculated is shown in the Registered Mortgage. It is an annual rate and will not vary over the Term.
- (11) **Last Payment Date** means the date for the last payment shown in the Registered Mortgage.
- (12) **Mortgage** means the legal agreement between you and us, which gives us rights over your Property. 'Mortgage' also includes any other documents attached to it as schedules, and any document renewing, amending or extending the Mortgage. It includes this document and the Registered Mortgage.
- (13) **Mortgage Default Insurer** means CMHC or any other institution that provides mortgage default insurance to lenders.

- (14) **National Housing Act** means the *National Housing Act* (Canada), a federal law that promotes the construction of new houses and the repair and modernization of existing houses. CMHC provides mortgage default insurance under this law.
- (15) **Open Mortgage** means a mortgage that lets you pay any amount you want without you having to pay a Prepayment charge. The minimum Prepayment amount is \$500.
- (16) **Outstanding Amount** means the total amount remaining to be paid on the Mortgage at any time. It includes the portion of the Principal Amount that remains unpaid, interest, additional amounts advanced, and amounts we have paid because you have not kept a Promise.
- (17) **Posted Rate** means the annual interest rates set from time to time by Royal Bank of Canada applicable to fixed rate residential mortgage loans in Canada. These rates may vary depending upon the term and Prepayment options applicable to the mortgage loan.
- (18) **Prepayment** means repaying part of the Principal Amount ahead of schedule. Depending on the type of Mortgage you have and the amount you are paying, you may have to pay a Prepayment charge when you make a Prepayment.
- (19) **Principal Amount** means the amount we originally loaned to you.
- (20) **Promises** means everything that you agree to do and all of the things you confirm and certify under the Mortgage.
- (21) **Property** means the land described in the Registered Mortgage, as well as any buildings constructed on the land and anything attached or fixed to the land or buildings and any rights associated with the land. It also includes any future building, addition, attachments or fixtures (fixtures includes things such as furnaces) to the land or buildings and, in the case of a leasehold title, the lease, except for the last day of the term of the lease, and any other interest, right, option or benefit set out in the lease.
- (22) **Property Taxes** means all present and future property taxes, rates, assessments, local improvement charges, administration fees and other similar amounts charged by local government on your Property. It includes interest and penalties charged by a local government.
- (23) **Registered Mortgage** means the Form 15 Mortgage or similar form that you sign to grant the Mortgage.
- (24) **Term** means the period of time from the Interest Adjustment Date to the Balance Due Date, which is shown on the Registered Mortgage.
- (25) **We** means the mortgagee under the Mortgage. The mortgagee is named on the Registered Mortgage.

(26) *You* means each person who signed or is bound by the Mortgage and is the person or persons who has/have to pay everything owing under the Mortgage. If you die or become incapacitated, your estate must pay us and keep your other Promises.

## **SECTION 2 – HOW THE MORTGAGE WORKS**

(1) In return for our agreeing to lend the Principal Amount or as much of the Principal Amount as we advance to you, you grant a mortgage and charge of your estate and interest in your Property to us. This means the Mortgage is a charge on your Property and you have mortgaged your entire interest in your Property to us. All amounts relating to the Mortgage that you owe to us are secured by the Mortgage.

(2) You can stay in possession of your Property, as long as you keep your Promises.

(3) Our interest in your Property ends when you have repaid the Outstanding Amount and you have kept all of your other Promises, and at that time, you can have a discharge of the Mortgage. Section 23 tells you what you must do to get a discharge.

(4) In return for our agreeing to lend the Principal Amount to you, you make certain Promises which you must keep. Not keeping your Promises includes breaking or not keeping your Promises in any way.

(5) You promise to sign any additional documents that we ask for and do everything else we ask you to do to protect our interest in your Property.

## **SECTION 3 – INTEREST**

### **3.1 Interest Rate**

(1) The Interest Rate you promise to pay is set out in the Registered Mortgage. The Interest Rate is an annual rate that is calculated semi-annually, not in advance. Using a semi-annual calculation of interest the first semi-annual calculation of interest after the Interest Adjustment Date will be for the six-month period starting with the Interest Adjustment Date. That calculation will be made six months after the Interest Adjustment Date. Semi-annual calculations of interest will be made every six months after that.

(2) We calculate interest for each payment period using an interest rate factor that is equivalent to the Interest Rate. Interest is payable at the payment frequency set out in the Registered Mortgage unless you select another payment frequency.

(3) You promise to pay interest on the Outstanding Amount at the Interest Rate both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount has been paid in full.

### 3.2 Compound Interest

If you do not pay any interest when due under the Mortgage, we will add the overdue interest to the Outstanding Amount and charge you interest on the combined amount until it is paid. This is called compound interest. We calculate compound interest at the Interest Rate. You promise to pay it at the same frequency as your regular payments, both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount is paid in full.

We will also charge you interest on compound interest at the Interest Rate both before and after the Balance Due Date, Default and judgment, until the Outstanding Amount is paid in full. All overdue interest and compound interest is part of the Outstanding Amount. You promise to pay this interest immediately when we ask you to pay it.

### SECTION 4 – YOUR REGULAR PAYMENTS

(1) You promise to repay the Principal Amount and interest to us on the payment dates set in the Registered Mortgage or another payment frequency that you select starting with the First Payment Date until and including the Last Payment Date. Your payments will be for the amounts set out in the Registered Mortgage. You promise to pay the Outstanding Amount on the Balance Due Date. We may, if you ask us to, agree to change your payment date or payment frequency.

(2) If you are not in Default, we apply your payment as follows:

- (a) to pay your *HomeProtector* Insurance Premium, including any applicable sales taxes or similar taxes, if you have it;
- (b) to pay Property Taxes, if we pay them on your behalf;
- (c) to pay interest due and payable; and
- (d) to reduce the Principal Amount, unless you have an Interest Only Mortgage in which case your payments never reduce the Principal Amount.

(3) If you are in Default, we may apply your payment, or any other money we receive from you, as we choose.

(4) All payments must be in Canadian dollars.

(5) If we advance all or part of the Principal Amount before the Interest Adjustment Date, you promise to pay accrued interest on the money we advance at the Interest Rate from the day we lend you the money until the Interest Adjustment Date. You promise to pay this interest on the first day of each month until the Interest Adjustment Date. If your Interest Adjustment Date is not the first day of a month, you also promise to pay us interest from the first of the month until the Interest Adjustment Date.

## **SECTION 5 – BANK ACCOUNT FOR PAYMENTS**

- (1) You promise to have a deposit account at a Canadian financial institution and authorize us to withdraw from that account automatically for each payment when it is due.
- (2) You will keep enough funds in the account to make each payment. You will not cancel your authorization to withdraw, or close the account without our consent.
- (3) If your financial institution refuses the pre-authorized withdrawal, we will charge you for the fee your financial institution charges us. This may include situations where you do not have enough money in your account, or you closed your account.

## **SECTION 6 – PREPAYING A MORTGAGE BEFORE THE MATURITY DATE**

### **6.1 Restriction**

None of the following Prepayment options apply if you are in Default.

### **6.2 Prepaying an Open Mortgage**

If you have an Open Mortgage you may prepay \$500 or more of the Outstanding Amount at any time without a Prepayment charge. If you have an Open Mortgage and you want to prepay it, you must pay back a portion of any cash back amount you received from us, as called for under Section 6.7.

### **6.3 Annual Prepayment Option**

- (1) If the Mortgage is a Closed Mortgage you may, once in each twelve month period starting on the Interest Adjustment Date or the anniversary of that date, pay up to 10% of the Principal Amount.
- (2) Subject to Section 6.3(4), you can exercise this option without notice and without paying any Prepayment charge.
- (3) If you do not exercise this option in any twelve-month period, you cannot carry it over to any future twelve-month period.
- (4) If you prepay more than 10% of the Principal Amount, you promise to pay a Prepayment charge on the **entire amount** of the Prepayment.

### **6.4 Increasing Payments Option**

- (1) You may once in each twelve-month period, starting on the Interest Adjustment Date, or the anniversary of that date, increase your payment by an amount that is not more than 10% of

the principal and interest portion of what is or would be your monthly payment amount. This option does not apply if you have an Interest Only Mortgage.

(2) If you do not exercise this option in any twelve-month period, you cannot carry it over to any future twelve-month period.

### 6.5 Prepaying More Than 10% of a Closed Mortgage

If you have a Closed Mortgage, you may pay off more than 10% of the Principal Amount, but you promise to pay a Prepayment charge on the **entire amount** of the Prepayment.

#### (1) Prepaying your Mortgage

- (a) You may at any time during the Term prepay all or part of the Outstanding Amount, but if you prepay more than 10% of the Principal Amount, you promise to pay a Prepayment charge calculated on the amount you prepay.
- (b) The Prepayment charge will be the greater of:
  - (i) Three months interest on the amount prepaid, at the Interest Rate; or
  - (ii) Interest for the remainder of the Term on the amount prepaid calculated using the "interest rate differential". The interest rate differential is the difference between the Interest Rate and our Posted Rate on the prepayment date for a mortgage with a term similar to the time remaining in the Term and having the same prepayment options. If you received a rate reduction below our Posted Rate when you gave us the Mortgage, we will deduct the amount of this rate reduction from the Posted Rate before calculating the difference between the interest rates.

The chart below indicates how we calculate a term similar to the time remaining in the Term.

<u>TERM REMAINING</u>	<u>USE FOLLOWING RATES</u>
0 months – 8 months	6 month rate
8 months and 1 day – 17 months	1 year rate
17 months and 1 day – 29 months	2 year rate
29 months and 1 day – 41 months	3 year rate
41 months and 1 day – 53 months	4 year rate

53 months and 1 day – 71 months	5 year rate
71 months and 1 day – 95 months	7 year rate
95 months and 1 day – 143 months	10 year rate
143 months and 1 day and over	25 year rate

(2) You must also pay back a portion of any cash back amount you received, as called for in Section 6.7, if you prepay all of the Outstanding Amount.

(3) If you renew or extend the Mortgage before the end of the Term, or if you amend the Interest Rate before the end of the Term, you promise to pay a Prepayment charge, calculated in the same way as in Section 6.5(1) (b) above based on the Outstanding Amount on the date of the renewal, amendment or extension.

#### **6.6 Prepaying a Mortgage With a Term of More than Five Years**

If the Term is more than five years and you are an individual, you may prepay the entire Outstanding Amount at any time after the end of the fifth year of the Term. If you do, your Prepayment charge will be three months interest calculated on the Outstanding Amount at the Interest Rate. You agree that the Interest Adjustment Date will be deemed to be the date of the Mortgage for this purpose.

#### **6.7 Incentive Program**

(1) We may, at our option, offer you an incentive to give the Mortgage to us. This incentive may be cash, a gift certificate or other item having a value (for example a voucher that you may redeem at a retail store). We will tell you the value of the incentive. We will call this a "cash back amount". If you repay the Outstanding Amount before the end of the Term or if you change the Term of the Mortgage, you promise to repay a portion of the cash back amount to us. You must pay this proportionate amount in addition to any Prepayment charge. You must pay it, even if you have an Open Mortgage.

(2) Here is how we calculate the amount you must repay:

your cash back amount divided by the number of months in the Term, times the number of months remaining in the Term (including the month in which the repayment is made).

Here is an example:

If you received a \$1,000 cash back amount for a 5 year (60 months) mortgage and repay the mortgage in full after 3 years (36 months), the calculation of the amount would be as follows:



$$\$1,000 \div 60 \text{ months} \times 24 \text{ months remaining} = \$400$$

### 6.8 Double-Up® Option

You may increase your regular payment by an amount up to 100% of the principal and interest portions of your regular payment (but not less than \$100) on any payment date. This is called a "**Double-Up**". If you have a non-monthly payment frequency, the total amount of your *Double-Up* payments in any one calendar month cannot be more than the amount of principal and interest portions of what would be your monthly payment. If you do not *Double-Up*, you may not save this option to be used on a later payment date. You cannot *Double-Up* if you have an Interest Only Mortgage.

Here is an example of how to calculate the maximum permitted monthly *Double-Up* payments for a mortgage with non-monthly payments.

Weekly payments	=	principal and interest portions of payment x 52/12
Bi-Weekly	=	principal and interest portions of payment x 26/12
Semi-monthly	=	principal and interest portions of payment x 2

### 6.9 General Provisions On Prepayment

- (1) If you use any Prepayment option, the schedule of payment dates will not change. Your payment amounts will also not change, unless you exercised an option to increase the payment amount.
- (2) You promise to continue to make payments until the Outstanding Amount is paid in full.

## SECTION 7 – DELAYING A PAYMENT

If you meet the conditions set out in this Section, you can Skip-A-Payment®, which means not making a regular payment on its payment date.

### 7.1 Skip-A-Payment Option

- (1) This Section applies only if:
  - (a) the Term is less than 10 years;
  - (b) the Mortgage is not an Interest Only Mortgage;
  - (c) the Mortgage is not insured by CMHC (see Section 7.2 for the *Skip-A-Payment* rules for CMHC insured mortgages); and
  - (d) you are not in Default.

- (2) *Skip-A-Payment* means not making a payment under the following conditions:
- (a) Once in every 12 month period during the Term, (starting on the Interest Adjustment Date or the anniversary date of the Interest Adjustment Date) you may *Skip-A-Payment* if the interest portion of the skipped payment, plus the Outstanding Amount, is not more than the Principal Amount.
  - (b) You may *Skip-A-Payment* up to the amount of any *Double-Up* payments made by you. The total amount of all skipped payments must not be more than the total of your *Double-Up* payments.
  - (c) If you *Skip-A-Payment* you must still pay the portion of your payment that covers your Property Taxes and *HomeProtector* Insurance Premium.
  - (d) The interest portion of any skipped payment is added to the Outstanding Amount and interest is charged on that amount at the Interest Rate.
- (3) You may repay any skipped payment at any time during the Term. We will not charge you any costs for repaying a skipped payment.

## **7.2 *Skip-A-Payment* Option For CMHC-Insured Mortgages**

- (1) This part applies only if:
- (a) the Term is less than 10 years;
  - (b) the Mortgage is not an Interest Only Mortgage;
  - (c) the Mortgage is insured by CMHC; and
  - (d) you are not in Default.
- (2) If the “loan to value ratio” is equal to or less than 90%, you may *Skip-A-Payment* as long as the Outstanding Amount plus the interest part of the skipped payment is not more than the Principal Amount.
- (a) By way of explanation, “loan to value ratio” means the ratio of the Principal Amount to the lesser of:
    - (i) the price paid to buy your Property; and
    - (ii) the value of your Property, as we determine, on the date of the Mortgage.
  - (b) If the Mortgage is insured under CMHC’s “95% Insurance” program or any related or successor program and the loan to value ratio is more than 90%, you may *Skip-A-Payment* only if, after having skipped the payment, the total of the

Outstanding Amount plus the interest part of the skipped payment is equal to or less than 90% of the "loan to value ratio". To see whether you fit these conditions, you will need to know what the Outstanding Amount is, as a result of your repayments of principal. For example, Helen and Henry have a mortgage for a 5 year term, at a 6% interest rate, with a 20 year amortization period. Their house cost \$200,000 and they borrowed \$190,000 under the mortgage. Helen and Henry want to *Skip-A-Payment* in their first year as homeowners and in the fourth year. Can they do so? Follow the calculations:

	Year 1	Year 4
Principal amount	\$190,000	\$190,000
Value of property	\$200,000	\$200,000
Principal amount repaid	\$5,130	\$22,400
Outstanding amount	\$184,870	\$167,580
Interest part of skipped payment	\$1,115	\$1,105
Total outstanding amount plus interest part of skipped payment	\$185,985	\$168,685
<b>Ratio of total outstanding amount plus interest part of skipped payment to principal amount</b>	<b>98%</b>	<b>89%</b>
	<b>So they cannot <i>Skip-A-Payment</i> because of a ratio of more than 90%</b>	<b>So they can <i>Skip-A-Payment</i> because of a ratio of less than 90%</b>

- (c) You may not *Skip-A-Payment* if, as a result of the skipped payment, the original amortization period of the Mortgage would be extended or you have skipped the equivalent of four monthly payments at any time during the Term and you have not yet repaid them.
- (d) When you *Skip-A-Payment* under this Part, you must still pay the portion of your payment that covers your Property Taxes and *HomeProtector* Insurance Premium. The interest portion of any skipped payment is added to the Outstanding Amount and interest is charged on that amount at the Interest Rate.
- (e) You may repay any skipped payment at any time during the Term. We will not charge you any costs for repaying a skipped payment.

### **7.3 Convertible Mortgage**

(1) If you have a Convertible Mortgage, you may extend the Term without paying a Prepayment charge or repaying any incentive, as long as you have kept your Promises and you convert to one of the two terms shown below. The conversion will take place on the date we select.

(2) The terms that you may convert to are:

(a) a fixed rate Closed Mortgage having a term of 1 year or longer at the Posted Rate for the term you choose; or

(b) a RateCapper® mortgage at the interest rate we are then offering.

### **SECTION 8 – MOVING THE MORTGAGE**

(1) If you sell your Property, and you are not in Default, you can either move the Mortgage to your new property or the person who buys your Property can apply to assume the Mortgage by doing what is required by Section 9. You cannot do both – you must decide.

(2) You can only exercise the option to move the Mortgage to your new property within 90 days after the sale of your Property.

(3) To move the Mortgage to your new property, you must:

(a) meet our mortgage approval criteria;

(b) sign a new mortgage; and

(c) pay any processing and administration fees, legal costs and property valuation fees, and any other expenses we incur.

(4) If the new principal amount is the same or less than the Outstanding Amount when you sell your Property, the Interest Rate will apply to your new mortgage. The maturity date for the new mortgage will be the same as the Balance Due Date.

(5) If your new principal amount is less than the Outstanding Amount when you sell your Property, you must pay us:

(a) the difference between your new principal amount and the Outstanding Amount; and

(b) the Prepayment charge that applies to the difference.

(6) If your new principal amount is more than the Outstanding Amount, the interest rate for your new mortgage will be a rate that blends the Interest Rate and the interest rate we offer you

for a new mortgage with a term similar to the remaining Term and having the same Prepayment options as the Mortgage. We will tell you the new blended rate.

The following is an example of how we would blend the rates if you move the Mortgage to your new property.

**Example of Blended Rate Calculation**

**(a) Details of Existing Mortgage**

outstanding amount	\$200,000
interest rate	7%
months to maturity	27 months

**(b) New Mortgage**

additional funds requested	\$100,000
principal amount of new mortgage	\$300,000
term remaining	27 months
similar term (refer to chart in Section 6.5(1)(b))	2 years
current Posted Rate for a 2 year term	5.50%
add/subtract premium/discount, on new funds, if applicable	-.500%

**Blended Rate Calculation:**

(a)	$\$200,000 \times 7\%$	=	14,000
(b)	$\$100,000 \times 5.0\%$	=	<u>5,000</u>
	total of (a) & (b)		19,000
	divided by amount of new mortgage		$\frac{\$19,000 \times 100}{300,000}$
	Equals the new blended interest rate	=	6.333%

(7) You must pay the applicable Prepayment charge and any cash back amounts owing under Section 6.7 when you sell your Property, but if you give us a first mortgage on your new property within ninety days of the sale, we will refund all or part of the Prepayment charge (depending on the amount of the new mortgage and if you meet the conditions above).

(8) If you wish to move the Mortgage and the Mortgage has mortgage default insurance, ask us to see if the mortgage default insurance can also be moved. You should also ask if you can move your *HomeProtector* insurance.

### **SECTION 9 – DUE ON SALE, ASSUMPTION OF MORTGAGE AND RELEASE OF OBLIGATIONS**

(1) You must still keep your Promises even if you sell your Property.

(2) If you either agree to, or actually do, transfer your interest in your Property, either directly or indirectly, to a new owner without our approval, at our option the Outstanding Amount will immediately become due and payable in full and you will be required to pay the applicable Prepayment charge on the Outstanding Amount.

(3) If we accept payment from the new owner even though we did not approve the new owner, it will not mean that we have approved the transfer or that we have given up our right to require you to pay the Outstanding Amount and any Prepayment charge.

(4) You must give us any information we ask for, to allow us to decide whether or not we want to give our approval. We will review that information and will tell you what we decide.

(5) We may set certain requirements that you and the new owner must meet as a condition of our approval. Our conditions will include the new owner signing our form of assumption agreement.

(6) Even if you sell the Property or transfer your interests, or we make any new agreement with the new owner with respect to any of the terms and conditions of the Mortgage, or if we accept payments from the new owner, that will not affect our rights against you or any guarantor, unless we decide, at our discretion that we will release you from your Promises. If we do not release you, you must still keep your Promises. You agree that we can renew or change the terms of the Mortgage in an agreement with the new owner, and that you will still have to keep your Promises, even though the Mortgage has been renewed or its terms have changed without your knowledge or consent.

(7) If the Mortgage is a high ratio mortgage as defined by a regulation to which sections 43(4.1) and (4.2) and 44(4.1) and (4.2) of the *Law of Property Act* (Alberta) apply, you and anyone who expressly or impliedly assumes the Mortgage from you could be sued if you or that person is in Default. You could also be sued, if you are a corporation or if you are an individual, who assumed a mortgage given by a corporation and you do not reside on the Property, and you are in Default.

## **SECTION 10 - RENEWAL OR AMENDING AGREEMENT**

- (1) If we send you a mortgage renewal agreement and you do not sign and return it to us before the date required, the Mortgage will at our option be renewed on the terms we indicate in the mortgage renewal agreement.
- (2) We may agree with you to change any of the terms of the Mortgage. We call this amending the Mortgage. If we do, you will still have to keep all your Promises.
- (3) We do not have to register any renewal, amendment or extension to the Mortgage. The Mortgage, as renewed, amended or extended, will continue to have the same priority. For the purposes of Section 10 of the *Interest Act* (Canada), the date of the Mortgage will be the date the mortgage renewal, amendment or extension takes effect.
- (4) You do not have a right to renew, amend or extend the Mortgage. Renewal, amendment or extension of the Mortgage is at our discretion.

## **SECTION 11 – ADDITIONAL AMOUNTS**

- (1) If you have paid part of the Principal Amount, we may if we want to and if you meet our requirements, allow you to borrow additional amounts up to a maximum of the difference between the Outstanding Amount and the Principal Amount. If we allow you to borrow any additional amounts, all amounts borrowed will be secured by the Mortgage, in the same priority, and will bear interest at the interest rate that applies to the Mortgage at that time.
- (2) If we let you borrow additional amounts, whenever this document refers to the Outstanding Amount, it will refer to all amounts owing, including all additional amounts.
- (3) If the Property is located in a national park, you may not borrow any additional amounts.

## **SECTION 12 – WE DO NOT HAVE TO MAKE ADVANCES**

- (1) We do not have to advance or re-advance all or any part of the Principal Amount to you, if we decide not to, even though:
  - (a) you have signed the Mortgage;
  - (b) the Mortgage is registered in the land registry office; or
  - (c) we have advanced part of the Principal Amount.
- (2) We may deduct from any advance:
  - (a) any Property Taxes that are due;

- (b) any interest that is due and payable on the date of the advance; and
- (c) any mortgage default insurance premium and application fees.

## **SECTION 13 – YOUR PROMISES**

### **13.1 Your Property Tax Promises**

- (1) You promise to pay to us, if we require you to do so:
  - (i) on each payment date the amount of money that we estimate will be enough to permit us to pay Property Taxes when they are due; and
  - (ii) the balance owing in addition to the money you have already paid towards Property Taxes so that we can pay the Property Taxes in full.
- (2) You promise to pay to us on each payment date one-twelfth of the amount we estimate will be required to provide enough money to pay all Property Taxes for the calendar year. We may re-estimate this amount from time to time. You agree to pay any additional amounts, when we ask you to, that are required because of this re-estimate.
- (3) If you do not keep your Promises, any payments you make for Property Taxes may, at our option, be applied to pay the Outstanding Amount.
- (4) As long as we require you to make Property Tax payments, and as long as you have kept your Promises, we will forward the amount required to pay Property Taxes to the local government as they fall due or at any time we choose. If the amount in the tax account is not enough to pay Property Taxes, we may advance amounts to the tax account to cover the shortfall or add the amount of the shortfall in the tax account to the Outstanding Amount. If you are sent a Property Tax notice, you must send it to us. If you do not send the notice to us and extra charges are imposed for Property Taxes, you must pay those charges. We are not responsible for any extra charges imposed because we did not receive a notice.
- (5) We will charge you interest on any shortfall in the tax account at the Interest Rate. If you have a surplus in the tax account, we will pay you interest on that surplus at a rate that we choose.
- (6) If at any time the Property Taxes we have paid exceed the amount you have paid us for Property Taxes, or we have to pay any fees because we have paid the Property Taxes on your behalf, we may demand that you immediately pay the shortfall to us. If you do not pay, we will add the shortfall to the Outstanding Amount.
- (7) We may decide not to require you to make payments of Property Taxes through us. In that case, you agree to pay all Property Taxes on your Property as they fall due and will give us acceptable evidence, when we ask, that you have paid them.



## **13.2 Your Other Promises**

(1) You also promise:

To pay, on demand and as permitted by law, all of our costs and expenses, on a full indemnification basis, including all legal fees and disbursements on a solicitor and own client basis, to

- (i) Prepare the Registered Mortgage, including all necessary steps to advance and secure the Principal Amount, investigate title, pay a title insurance premium, register the Mortgage and to report to us;
- (ii) Collect the Outstanding Amount;
- (iii) Enforce the terms of the Mortgage, including efforts to make you keep your Promises;
- (iv) Do anything which you promised to do but did not do;
- (v) Defend the validity of the Mortgage against anyone who contests it; and
- (vi) Prepare and give you a discharge of the Mortgage when you have paid all amounts owing under the Mortgage, as required by the Mortgage.

(2) If any taxes (other than our income taxes) are imposed on your payments of the Principal Amount, interest and any other amount secured by this Mortgage and we are required to pay these taxes, you promise to reimburse us on our demand, including any interest at the Interest Rate from the date we paid these taxes.

(3) You promise to comply with all laws and orders applicable to the Property, including those concerning zoning, land-use and environmental protection.

(4) You promise to use and occupy the Property primarily for residential purposes.

(5) You agree that we may add any expenses and costs that we pay to the Outstanding Amount if you do not pay them.

## **13.3 No Deductions**

You promise that all payments that you make to us or that we ask you to make will be made in full without any set-off or counterclaim and without any deductions or withholdings whatsoever. You promise that you will not cancel, offset or reduce any payments that you make.

## **SECTION 14 – YOU CONFIRM**

In return for our agreeing to lend the Principal Amount to you, you promise and confirm that:

- (a) You own your Property, you have the right to give the Mortgage and you mortgage your entire interest to us.
- (b) The Mortgage is given to secure repayment of the Outstanding Amount and to ensure that you keep all your Promises.
- (c) You will pay all of the Outstanding Amount to us and keep all of your other Promises, as provided in the Mortgage.
- (d) There are no limitations or restrictions on your title to your Property, except those disclosed to us in writing and that we approved.
- (e) Your title to your Property is subject only to:
  - (i) Those interests filed in the land registry office at the time you give us the Mortgage; and
  - (ii) Any unregistered interests we have approved.
- (f) As far as you know, no part of your Property or of any adjoining land is, has ever been or will in the future be used to manufacture, store or otherwise deal with any hazardous substances except in compliance with all laws, regulations and orders. No part of your Property contains, has ever contained or will in the future contain any hazardous substance, which may lower the value of, or adversely affect the sale of, your Property.
- (g) You will, at your own expense, sign any documents and do anything we ask to ensure that all your interest in your Property has been mortgaged to us and that the Outstanding Amount is adequately secured by your Property.

## **SECTION 15 – OUR RIGHTS**

### **15.1 Approval and Consent**

Whenever this Mortgage talks about “approval” or a “consent”, we mean approval or consent in writing, given by us before you act.

## **15.2 Money we Spend**

We may spend money to do anything you promised to do, but did not do. You must continue to keep your Promises, even if we have spent money to do something you promised to do. Any money we spend because you did not keep a Promise will be added to the Outstanding Amount, will be payable on demand, will bear interest at the Interest Rate from the date that we spend the money until fully paid and will be secured by the Mortgage with the same priority. It shall be immediately due and payable to us.

## **15.3 Additional Interests in Property**

By the Mortgage you grant and mortgage any additional or greater interest in your Property that you may later acquire.

## **15.4 Other Security**

If you have mortgaged, charged or given us a security interest in anything else to better secure payment of the Outstanding Amount (“**Other Security**”), we may take legal proceedings under any of the Other Security in any order that we choose and at the same time as we are enforcing our rights under the Mortgage. If we get a judgment from the court, or recover any money under the Other Security, this will not affect our rights to enforce our rights under the Mortgage.

## **15.5 Consolidation**

Our right of consolidation applies to the Mortgage and to any other mortgages given by you to us. This means that if you have mortgaged other property to us you will not have the right, after Default, to pay off the Mortgage or any mortgage of other property unless you pay us the money owed by you under both the Mortgage and the Other Security.

## **SECTION 16 – PAYING OFF CLAIMS OR LIENS**

(1) You promise not to allow any builders’ lien to remain undischarged on the title to your Property for more than 30 days, unless you:

- (a) diligently dispute the validity of the builders’ lien by taking all necessary legal steps to do so;
- (b) give us reasonable security by depositing money, bonds or other types of security acceptable to us (the “**Security**”) to pay the builders’ lien and associated legal costs in full, including our legal costs on a full indemnification basis; and
- (c) authorize us to use the Security to pay the builders’ lien and any of our legal costs on a full indemnification basis and those of the lien claimant in full, if the builders’ lien is found to be valid.

(2) We can pay off the claims of other creditors, who have an interest in your Property. These may include builders' liens and other liens, government claims or encumbrances. If we pay off a claim you promise to pay the amount to us when we ask. Any amount we pay to the other creditor that you do not repay will be added to the Outstanding Amount. We can, if we think it is necessary, pay off any mortgages, charges, interests, claims or liens that have priority over the Mortgage, including realty taxes, utility charges, builders' liens, or any amounts payable to a condominium corporation.

(3) Once we have paid off any such claims we are entitled to all the rights, equities and securities of the creditor. We can retain any discharge, if we need to.

(4) You promise to pay any money which, if not paid, would result in a default under any mortgage or claim that legally ranks ahead of the Mortgage or that may result in the sale of your Property if not paid.

(5) You promise to pay and cause to be discharged any other mortgages, charges, liens, security interests, claims or other interests that we are not willing to have remain on your Property.

#### **SECTION 17 – PROPERTY INSPECTIONS**

(1) We or our agents may at any reasonable time inspect your Property, including the buildings.

(2) If the Mortgage has mortgage default insurance, the Mortgage Default Insurer and its agents can also inspect your Property.

(3) Inspections may include environmental testing, site assessments, investigations and studies.

(4) You promise to pay for the costs of the inspection including any tests or studies.

(5) If you do not pay our costs, we may add the costs to the Outstanding Amount.

(6) If we, our agents, the Mortgage Default Insurer or its agents do conduct an inspection, neither we nor they will be considered to be in possession or control of, or managing, your Property.

#### **SECTION 18 – ADVANCES OF MONEY FOR CONSTRUCTION MORTGAGES**

(1) If the money we loaned is to be used to pay for any construction, alteration or addition on your Property, we may make advances of the Principal Amount to you based on the progress of construction.

(2) We will decide whether or not any advances will be made, the amount of the advances and when they will be made.

(3) Subject to Section 12, we may make advances to you based on how much of the construction, alteration or addition has been completed and the amount of money you need to complete.

(4) We may retain funds from any advance until we are completely satisfied that the holdback provisions of the *Builders' Lien Act* (Alberta) have been complied with.

(5) If this Mortgage is a construction mortgage, we may require that accrued interest on progress advances from the date of these advances be paid in monthly instalments starting on the first day of the next month after the first advance, and on the first day of each following month. The balance of the interest must be paid on the Interest Adjustment Date. Interest will be payable at the Interest Rate and calculated daily. We may, if we want to, retain accrued interest out of the proceeds of each partial advance of the Principal Amount. If the Principal Amount is not advanced in full on the Interest Adjustment Date, the Interest Adjustment Date will change to the date of the final advance. This means the Last Payment Date and Balance Due Date will also change. If the final advance is not made within 12 months of the date of your application for the Mortgage, we will automatically set your Interest Adjustment Date to a date that is approximately 12 months from the date of your application for the Mortgage and the Term will start on that date.

## **SECTION 19 – SAFEGUARDING THE VALUE OF YOUR PROPERTY**

You promise:

(1) To keep all of the buildings and improvements on your Property in a good condition and state of repair and to repair them as we require. If you do not make the repairs when we ask, we can make whatever repairs we think are needed. You must immediately pay the costs of any repairs we make and of any inspections. If you do not pay those costs, we will add them to the Outstanding Amount.

(2) You will not tear down any building or structure, or part of any building or structure, on your Property without our approval.

(3) You will not do, or let anyone else do, anything that may reduce the value of your Property.

(4) You will not construct, alter or add to any buildings or improvements on your Property without our consent, and if the Mortgage is insured by a Mortgage Default Insurer, without its consent. Any construction or renovation must meet all applicable construction standards, building codes and municipal or governmental requirements. You must build or renovate using only new materials and according to the plans and specifications we have approved and if the Mortgage is insured by a Mortgage Default Insurer, it must approve the plans and specifications.

(5) You will provide us, and any Mortgage Default Insurer, with any information or material, such as plans, specifications, building permits, insurance and like information, as required to decide whether to give approval or not.

(6) We and any Mortgage Default Insurer, may set certain requirements which you must comply with as a condition of giving approval.

(7) Once we and any Mortgage Default Insurer have given approval you will only then demolish, make such alterations, additions or improvements in accordance with the approved plans and specifications and all applicable construction standards, building codes and municipal or other government requirements and you will complete the work as quickly as possible.

(8) You authorize us and, if your Mortgage is insured, the Mortgage Default Insurer, to enter your Property at all reasonable times to inspect and repair, but we will not be considered to be in possession or control of the Property by exercising this right.

## **SECTION 20 – WITHHOLDING TAXES**

(1) If you are not a Canadian resident for income tax purposes, the country where or in which you are a resident for income tax purposes may charge a withholding tax on the interest portion of your payment to us. We must receive interest payments free and clear of any withholding tax.

(2) You are responsible for paying any withholding tax. If you must pay withholding tax, you promise to remit the withholding tax to the tax authority of the country of which you are a tax resident when it is due. You promise to give to us the withholding tax receipt issued by the foreign tax authority as proof you paid the withholding tax.

If you do not pay the withholding tax and the foreign tax authority makes us pay it, you promise to pay the withholding tax to us when we ask for it. If you do not pay it to us, the amount will be added to the Outstanding Amount. In some circumstances, we may tell you that we will collect and remit the withholding tax on your behalf. If we tell you this, we will remit the withholding tax to the foreign tax authority from the interest we collect.

## **SECTION 21 – INSURANCE**

(1) You promise to maintain adequate insurance on your Property until the Outstanding Amount has been repaid in full.

(2) You promise, if we ask, to give us certified copies of the insurance policy and evidence of its renewal not less than 15 days before the policy expires.

(3) The insurance must be with a licensed insurance company and must be for the full replacement value of your Property in Canadian dollars. The insurance policy must contain mortgage clauses approved by The Insurance Bureau of Canada. These clauses must provide

that loss proceeds are payable to us first, and that we have the first right to receive and to have a first lien on the loss proceeds. You must also assign your insurance policy to us.

(4) The insurance policy must protect against the following risks: fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke and falling objects.

(5) We may also require that other risks be covered, depending on the nature or location of the Property.

(6) The insurance policy must cover all buildings on your Property, whether before, during or after construction, and all fixtures attached to the buildings.

(7) We can, if we want to, place and pay for any insurance policy if you fail to do so. Any money which we pay for insurance will be immediately payable by you to us, and will be added to the Outstanding Amount if not paid.

(8) If any loss or damage occurs, you promise, at your expense, to immediately do everything necessary to allow us to receive the insurance proceeds.

(9) Production of the Mortgage will be sufficient authority for the insurance company to pay proceeds to us and the insurance company is directed to pay the proceeds to us.

(10) Insurance proceeds may, at our option, in whole or in part be:

- (i) used to repair or rebuild your Property;
- (ii) used to repay any part of the Outstanding Amount, whether due or not, and any Prepayment charge on the amount repaid; or
- (iii) paid to you.

## **SECTION 22 – ENFORCING OUR RIGHTS**

### **22.1 Defaults**

A Default occurs if

- (a) You do not make any payment when required;
- (b) You do not keep any of your other Promises;
- (c) You become insolvent or bankrupt;
- (d) Your Property is abandoned or is left unoccupied so your insurance policy could be cancelled; or

- (e) If a guarantor has guaranteed your Promises and the guarantee is invalid or if we no longer have any rights against the guarantor under the guarantee.

Not keeping your Promises includes breaking or not keeping any of your Promises in any way.

## 22.2 Consequences of a Default

If a Default occurs we can, if we wish and as permitted by law, do any one or more of the following, in any order that we want:

- (a) **Demand Payment** – demand that you immediately pay the Outstanding Amount.
- (b) **Sue You** – take action in court to make you pay the Outstanding Amount or make you keep your Promises.
- (c) **Lease Your Property** – enter on and lease your Property. We may apply the net rent to reduce any part of the Outstanding Amount. If the net rent is not sufficient to pay the Outstanding Amount in full, you must pay us the difference.
- (d) **Sell Your Property** – we may enter your Property and, on giving the minimum notice to you, sell your Property or any part of your Property. We can sell by public auction or private sale, or partly by one way and partly by the other. You agree we may sell all or part of your Property for cash or on credit, or partly for cash and partly on credit, and otherwise on whatever terms we negotiate. If we sell on credit, we will not be required to reduce the Outstanding Amount, or pay any sale proceeds to you in any situation where you are entitled at law to receive them, until we receive payment of the Outstanding Amount. We may also buy your Property ourselves, or terminate or amend any agreement we enter into for the sale of your Property and resell if we decide to do so. After we sell your Property under power of sale, we will use the money we receive from the sale to pay:
  - (i) any amounts required to be paid to any party with a higher ranking interest in your Property than us;
  - (ii) any auctioneer's fees or real estate agent's commission;
  - (iii) all adjustments usually made on the sale of property;
  - (iv) all of our expenses and costs as described in Section 22.4;
  - (v) the Outstanding Amount;
  - (vi) any amounts owed to any party holding a mortgage, lien or other security on your Property with a lower priority to the Mortgage; and



(vii) any surplus to you.

We may make these payments in any order we want to.

After payment of the amounts referred to in paragraphs (i) to (iv) above, if the remaining money is not enough to pay all the Outstanding Amount, you promise to pay the remaining unpaid Outstanding Amount to us on written demand to do so.

- (e) **Court Sale** – apply to the court for an order for the sale of your Property to us or to a third party under the supervision of the court. If the net proceeds of sale are not enough to pay the Outstanding Amount, you promise to pay us the remaining unpaid Outstanding Amount to us on written demand to do so.
- (f) **Foreclose** – apply to the court to foreclose your interest in your Property, so that when the court makes its final order of foreclosure, all your interest in your Property will be absolutely transferred to, and belong to, us and you will no longer have any interest in your Property.
- (g) **Appoint a Receiver** –appoint a receiver (which includes a receiver and manager) to collect any income from your Property or take any other action with respect to your Property which we could take. We will appoint a receiver by written notice to you. The receiver will be your agent, not ours, and you alone will be responsible for all of the receiver's acts or omissions. We will not be accountable for any money received by the receiver, except to the extent that we actually receive the money. The receiver may use every available remedy that we have under the Mortgage, including collecting income from your Property, taking possession of all or part of your Property, managing your Property, keeping your Property in good condition, finishing any buildings under construction on your Property, leasing your Property and selling your Property. From the income collected from your Property, or the proceeds of the sale of your Property, the receiver will pay:
  - (i) all rents, taxes, rates, insurance premiums and other expenses required to keep your Property in good condition;
  - (ii) all amounts necessary to repay any money it has borrowed for the purposes of your Property, including interest and any penalties on borrowed money;
  - (iii) all amounts required to keep any encumbrances ranking in priority to the Mortgage in good standing;
  - (iv) its own compensation as receiver;
  - (v) all costs with respect to any leasing or sale of your Property; and

- (vi) any part of or all of the Outstanding Amount, whether it is due or not, together with any Prepayment charge.
- (h) **Take Possession** –take possession of your Property, without any interference by you or anyone else living on your Property, and free from any other mortgages, charges, liens or easements, limitations or restrictions that we did not approve. If we take possession, we can ask you to leave your Property with all your belongings. If you do not leave, the court will order you to leave and if you refuse, the court will have you forcibly removed. Once in possession, we may do anything we consider necessary to:
  - (i) inspect, collect rents, manage or lease your Property;
  - (ii) complete the construction of any building on your Property;
  - (iii) repair any building on your Property; or
  - (iv) take any other action permitted under the Mortgage or by law.

If we take possession, we will not be responsible for maintaining and preserving your Property. We will only account to you for any money we actually receive in connection with the Mortgage or your Property.

- (i) **Other Action** – take any other necessary action to take, recover and keep possession of your Property.
- (j) **Non-interference** – if we take possession of your Property, you will not interfere with our possession, with that of any receiver we may appoint or with that of any person to whom your Property may be leased or sold, and you will not make any claim against any person to whom your Property may be leased or sold.
- (k) **Abandoned Personal Property** – any furniture, appliances, or household or personal belongings which remain on your Property for a period of 15 days after we or a receiver take possession of your Property shall be deemed abandoned and we may remove, store, dispose of or otherwise deal with such abandoned goods in such manner as we choose.

### 22.3 Remedies after a Court Order

Even if we obtain judgment against you,

- (1) You must still keep all your Promises and we may continue to use the remedies described in Section 22.2 to make you keep your Promises; and
- (2) We will be entitled to continue to receive interest and compound interest at the Interest Rate on the Outstanding Amount until the judgment is paid in full.

## **22.4 Our Expenses**

- (1) You promise to pay us all reasonable expenses and costs we incur to enforce the Mortgage or exercise any of our rights under the Mortgage, when we ask you to.
- (2) Expenses and costs will include our costs of taking and keeping possession of your Property, any costs of removal, storage or disposal of goods, any costs of repairs or improvements to your Property, legal fees and disbursements on a solicitor and own client basis and all other costs and expenses we incur to protect our interests.
- (3) These expenses and costs will be added to the Outstanding Amount, will be payable on demand, will bear interest at the Interest Rate until fully paid and will be secured by the Mortgage, in the same priority.

## **22.5 Delay in Enforcing our Rights**

If you Default, and we do not exercise any of our rights or do not ask you to remedy the Default, we are not prevented from making you remedy the Default later or exercising any of our rights in connection with the Default later or any other Default.

## **SECTION 23 – DISCHARGE**

- (1) Full Discharge – We will discharge the Mortgage when:
  - (a) You have paid all amounts owing as and when required under the Mortgage, including any Prepayment charge;
  - (b) You have kept all other Promises under the Mortgage; and
  - (c) You have paid all lawful costs to prepare and register the discharge.
- (2) If we fully discharge the Mortgage we will no longer be entitled to enforce our rights under the Mortgage. We will not give you notice if we intend to discharge the Mortgage.
- (3) We will prepare the discharge, as required by law, and register it, if we want to. If we register the discharge, we will send you a letter telling you it has been registered. .
- (4) Partial Discharge
  - (a) We may release our interest in all or any part of your Property, if we wish. We can do this whether or not we receive any money. We will only be accountable to you for money we actually receive. If we receive money, we will apply it to what you owe us, including the applicable Prepayment charge.

- (b) If we release our interest in part of your Property, the part remaining will continue to secure the Outstanding Amount and your Promises will continue unchanged.

## **SECTION 24 – RENTING YOUR PROPERTY**

(1) You promise that you will occupy your Property. If you want to rent, lease or enter into any form of tenancy agreement covering all or any part of your Property, you promise to get our prior consent. We may refuse to give it, at our option.

(2) If you have told us that your Property is, or will be, used only as an owner-occupied residential property, you confirm that no part of your Property is rented or occupied by a tenant.

(3) If you do not keep any of these Promises, at our option, the Outstanding Amount will immediately become due and payable and we will be entitled to enforce any of our rights.

(4) In this case, we can pay any amount we think is needed to any tenant, to obtain the co-operation of the tenant in selling your Property, showing your Property and obtaining possession of your Property or any part of your Property from the tenant. You agree that any amount we pay to a tenant will be added to the Outstanding Amount.

(5) Nothing we do under this Section 24 will put us in possession, control or management of your Property and we are not obliged to collect any rent or income from your Property, or comply with any terms of any lease or agreement.

(6) If you rent your Property with our consent, you assign to us:

- (a) All leases, lease agreements and their renewals, whether current or future;
- (b) All rents payable under the leases and lease agreements; and
- (c) All rights under the leases or lease agreements that affect your Property.

## **SECTION 25 – ENFORCING OUR RIGHTS**

If you do not keep your Promises, then at our option

(1) The Outstanding Amount will immediately become due and payable together with any Prepayment charge and a portion of any cash back amount that you promise to repay, as explained in Section 6.7; and

(2) We may spend money to do anything you promised to do, but did not do. Any money we spend because you did not keep a Promise will be added to the Outstanding Amount. It will be immediately due and payable, will bear interest at the Interest Rate until fully paid to us and will be secured by the Mortgage, in the same priority.

## SECTION 26 – CONDOMINIUM MORTGAGES

(1) If your Property is a condominium unit, you promise to meet these obligations, in addition to your other Promises under the Mortgage:

- (a) You must comply with the *Condominium Property Act* (Alberta), and the plan, by-laws and rules of the condominium corporation. We may ask you to provide proof of compliance.
- (b) You must pay the common expenses for your Property to the condominium corporation on the due dates. We may ask you to provide proof of payment.
- (c) We have the right to give you notice that we will collect your contribution to the common expenses from you and you agree to make that payment. We can accept a statement from the condominium corporation as conclusive evidence of how much is owed for common expenses and when it must be paid.
- (d) You will forward to us any notices or assessments from the condominium corporation.
- (e) You must maintain in good condition and state of repair all improvements made to your Property.
- (f) You must repair your Property after damage.
- (g) You must ensure that the condominium corporation complies fully with:
  - (i) The terms of all insurance policies on the condominium;
  - (ii) All obligations imposed by the *Condominium Property Act* (Alberta);
  - (iii) The by-laws of the condominium corporation; and
  - (iv) The insurance provisions of the plan of the condominium corporation.
- (h) You must carry adequate insurance. This means you must insure all improvements made to your Property. The insurance policy must cover your Property against destruction or damage by fire and by other perils usually covered in fire insurance policies, as well as those perils listed in Section 21(4) of the Mortgage. You must obtain insurance for any additional risks that we require.
- (i) The policy must cover your Property for its full replacement cost: this means the maximum amount for which it can be insured.

- (j) You must insure the common or other interest in both planned and existing buildings, which form part of the condominium property if the condominium corporation fails to insure them.
- (k) You must assign your insurance policies to us. As far as it is legal to do so, you must assign your interest in any insurance policies held by the condominium corporation.
- (l) You must provide us with proof that the insurance for the condominium corporation and your insurance is in force. If the policy is renewed or replaced, you must inform us at least thirty days before the insurance expires.
- (m) You must do everything that is necessary to collect any insurance proceeds.
- (n)
  - (i) You authorize us, in your name and on your behalf, at all times, to exercise your rights under the *Condominium Property Act* (Alberta) to vote at any meeting of the condominium corporation, and to consent to anything having to do with the management, sale or other dealings with the property or assets of the condominium corporation. This authorization includes voting on or any consent to the termination of the condominium corporation;
  - (ii) Our right to vote or consent shall be effective upon our giving notice to you and the condominium corporation at any time that we intend to exercise our right to vote or consent. Any notice we may give may be for an indeterminate or limited period of time, or for a specific meeting or matter;
  - (iii) In exercising these rights, we can choose to not vote or consent at any particular time or on any particular issue; and
  - (iv) If we do vote or consent for you, we do not as a result become a mortgagee in possession. We are not responsible to protect your interests. We are also not responsible for the way we vote or consent, or if we fail to do so.
- (o) If we wish, the Outstanding Amount will become payable immediately if:
  - (i) the governing of your Property by the condominium corporation under the *Condominium Property Act* (Alberta) is terminated. This means your Property is no longer part of a condominium;
  - (ii) a vote of the unit owners authorizes the sale of all or any material part of the property of the condominium corporation, including a material part of its common elements;

- (iii) the condominium corporation fails to comply with the *Condominium Property Act* (Alberta), or the plan, by-laws or rules and regulations of the condominium corporation;
- (iv) the condominium corporation fails to insure the units and common elements against destruction or damage by fire and other perils usually insured against, for full replacement cost;
- (v) the condominium corporation fails, in our opinion, to manage the condominium property and assets in a careful way or to maintain its assets in good repair; or
- (vi) the condominium corporation fails to insure all the condominium units and common elements according to law and any additional requirements we may have, or fails to do all that is necessary to collect insurance proceeds.

## **SECTION 27 – LEASEHOLD MORTGAGES**

- (1) If you rent or lease your Property from someone else, you certify that:
  - (a) You lease your Property under a valid lease, you have given us a copy of that lease and you have good leasehold title to your Property;
  - (b) You have paid all rents and other payments required under the lease and you have kept all of your other promises in the lease, up to the date you sign the Mortgage;
  - (c) You either have the consent of your landlord to the Mortgage, or you have the right to charge your interest in the lease to us, without consent;
  - (d) If the Property is located in a national or provincial park, you have obtained consent from the appropriate government, if necessary, to the Mortgage; and
  - (e) There are no limitations on your interest in the lease except for any set out in the lease, or restrictions registered in the land registry office.
- (2) From now on, you promise that:
  - (a) You will pay rents and other payments required by the lease when due;
  - (b) You will do everything you are required to do under the lease;
  - (c) You will not surrender or transfer your interest in the lease or cause it to be terminated or transferred;
  - (d) You will not make any change in the lease without our approval;

- (e) You will immediately give us a copy of any notice or demand you receive about the lease;
- (f) You will, at your expense, do anything that we think necessary to ensure that all your interest in your Property and in the lease is covered by the Mortgage and that the Outstanding Amount is adequately secured;
- (g) If you default under the lease, and we pay anyone else, as required by law or to protect our security, you will pay us back. If you do not pay us back, the amount we paid will be added to the Outstanding Amount;
- (h) You will hold the last day of the term of the lease or of any renewal term in trust for us and will only deal with it as we require. At our request, but at your expense, you will transfer to us the last day of the term of the lease or of any renewal;
- (i) We may remove you or any other person as trustee of this trust and appoint a new trustee;
- (j) You must not let any renewal or other options lapse. Unless we tell you otherwise, you must renew the lease or exercise any other option so that the lease will continue as long as the Mortgage is outstanding, and provide us with evidence as we may require;
- (k) If you subsequently buy the Property from the owner, the Mortgage will automatically become a Mortgage on the entire interest in the Property, as if you had owned Property at the time that we advanced you the Principal Amount. If we ask, you agree to re-mortgage and charge your interest in your Property to us, and to execute a mortgage and any other documents we ask;
- (l) If you fail to keep any of your promises under the lease, we can treat that as if you had defaulted under the Mortgage and we can exercise our rights under Section 22;
- (m) If we enforce our rights under the Mortgage, then you will hold the last day of the term of the lease and of any renewal in trust for any person to whom we sell your interest in your Property; and
- (n) You irrevocably appoint us as your attorney so that we, on your behalf and in your name, may enforce the lessor's promises under the lease, exercise any options to renew and assign the lease and the last day of the term and of any renewal, and transfer your interest in your Property. This is a right coupled with an interest.



## **SECTION 28 – EXPROPRIATION**

- (1) If your entire Property is expropriated, the Outstanding Amount will immediately become due and payable, together with any applicable Prepayment charge. You promise to hold all amounts you are awarded for the expropriation of your Property in trust for us.
- (2) If only a part of your Property is expropriated, you promise to pay to us the amount you are awarded for the partial expropriation and we will credit it to any Prepayment charge applicable to that amount and to the Outstanding Amount. Until you have paid us, you promise to hold the amount you are awarded in trust for us.
- (3) You acknowledge that we may be restricted by Alberta law to recovery of the market value, as it is defined in the law, of the Property at the date of the expropriation. If the market value is less than the Outstanding Amount, you waive any rights you may have by law related to this restriction.
- (4) If we consider that the remainder of your Property is not adequate security for the Outstanding Amount, then the Outstanding Amount, or the part of the Outstanding Amount as we decide, will immediately become due and payable together with the Prepayment charge applicable to that amount.
- (5) Any amount you pay us because of an expropriation must include the Prepayment charge applicable to that amount.

## **SECTION 29 – ADMINISTRATION FEES**

You promise to pay to us, when we ask, our administration and processing fees we charge at that time to prepare an assumption statement, information statement, payout statement, amending or other agreement, a transfer of the Mortgage, or any fees referred to in Section 23, which are permitted by law. If you do not pay a fee it will be added to the Outstanding Amount. Interest at the Interest Rate will be charged on these unpaid fees.

## **SECTION 30 – APPLICABLE LEGISLATION**

### **30.1 Statutory Covenants Replaced**

The *Land Titles Act* (Alberta) sets out certain covenants in Schedule 2. These covenants are excluded from the Mortgage and replaced with your Promises.

### **30.2 New Home Warranty**

You agree to comply with any new home warranty or similar legislation and to reimburse us for any costs which we incur in complying or enforcing your rights on your behalf if you fail to do so.

### **30.3 National Housing Act**

If the Mortgage is insured by CMHC the Mortgage is made under the *National Housing Act*.

### **30.4 Spousal Consent**

Your spouse, by signing the Mortgage, consents to the Mortgage and releases all of his/her interest in the Property to the extent necessary to give effect to our rights under the Mortgage. Your spouse also agrees that we may, without further notice, deal with the Property and the debt created by the Mortgage as we wish.

## **SECTION 31 – WHO IS BOUND BY THE MORTGAGE**

- (1) Not only are you bound by everything in the Mortgage, but also your heirs, executors, administrators, personal representatives, successors and assigns and anybody else to whom your Property is transferred are bound.
- (2) If more than one person signs the Mortgage as Borrower, then all persons who sign are jointly and severally liable to keep all Promises under the Mortgage.
- (3) By way of explanation, the term “jointly and severally” means that if there is more than one person signing the Mortgage as Borrower, each is collectively and individually liable with all other persons signing for keeping all the Promises.

## **SECTION 32 – INTERPRETATION**

### **32.1 Partial Invalidity**

If any provision of the Mortgage is found to be illegal or unenforceable, this will not affect the validity or enforceability of the other provisions.

### **32.2 Paragraph and Section Headings**

Paragraph and Section headings do not form part of the Mortgage, but are used only for easy and convenient reference. They do not affect the construction or interpretation of the Mortgage.

### **32.3 Number and Gender**

Unless the context requires otherwise, words in the singular include the plural, and vice versa, and words specifying a gender include all genders.

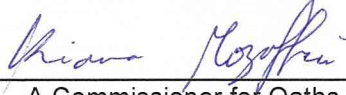
## 32.4 Statutes

Any reference to any statutes shall be deemed to be a reference to such statute and any and all regulations from time to time made under such statute and to such statute and regulations as amended or re-enacted from time to time. Any references in this document to a specific section or sections, paragraph or clause of any statute or regulation shall be deemed to include a reference to any corresponding provision of future law.

### TRADEMARKS

® Registered trade-mark of Royal Bank of Canada. Royal Trust Corporation of Canada and The Royal Trust Company licensees of trade-marks. The Canada Life Assurance Company, licensee of HomeProtector trade-mark.

Exhibit "Z" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



---

A Commissioner for Oaths  
in and for the Province of Alberta  
KIANA MOZAFFARI  
Student-at-Law



LAND TITLE CERTIFICATE

S  
 LINC                      SHORT LEGAL                      TITLE NUMBER  
 0018 008 102            4313BF;10;24                      132 093 557

LEGAL DESCRIPTION  
 PLAN 4313BF  
 BLOCK 10  
 LOT 24  
 EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE  
 ATS REFERENCE: 4;14;67;HB

MUNICIPALITY: LAC LA BICHE COUNTY (LAC LA BICHE)

REFERENCE NUMBER: 122 024 154

-----				
REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
-----				
132 093 557	05/04/2013	TRANSFER OF LAND	\$820,000	\$820,000

OWNERS  
 BIRKILL HOLDINGS LTD.  
 OF BOX 510  
 LAC LA BICHE  
 ALBERTA T0A 2C0

-----		
ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER	DATE (D/M/Y)	PARTICULARS
-----		
132 093 558	05/04/2013	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 10 YORK MILLS ROAD 3RD FLOOR TORONTO ONTARIO M2P0A2 ORIGINAL PRINCIPAL AMOUNT: \$612,000

TOTAL INSTRUMENTS: 001

PENDING REGISTRATION QUEUE

PAGE 2

DRR RECEIVED  
NUMBER DATE (D/M/Y) CORPORATE LLP TRADENAME LAND ID  
# 132 093 557

D001MZQ 02/03/2022 MAUREEN E. MURDOCH BARRISTER  
& SOLICITOR  
5875259777  
CUSTOMER FILE NUMBER:  
10498MEM

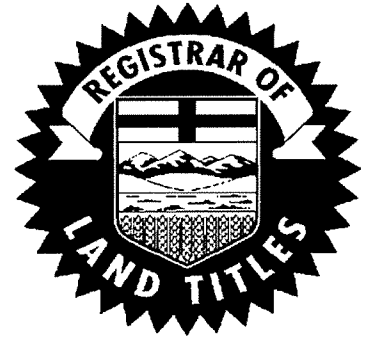
001 CERTIFICATE OF LIS PENDENS 4313BF;10;24

TOTAL PENDING REGISTRATIONS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 21 DAY OF MARCH,  
2022 AT 01:30 P.M.

ORDER NUMBER: 43972021

CUSTOMER FILE NUMBER:



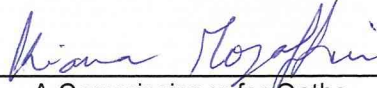
\*END OF CERTIFICATE\*

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.

Exhibit "AA" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

Search ID #: Z14806827

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z14806827

Date of Search: 2022-Mar-21

Time of Search: 13:26:03

**Business Debtor Search For:**

BIRKILL HOLDINGS LTD.

No Result(s) Found

**NOTE:**

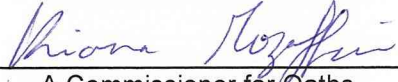
A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.

Result Complete





Exhibit "BB" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

Search ID #: Z14806829

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Exact Result(s) Only Found

**NOTE:**

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



Search ID #: Z14806829

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

Registration Number: 04031718341

Registration Type: SECURITY AGREEMENT

Registration Date: 2004-Mar-17

Registration Status: Current

Expiry Date: 2024-Mar-17 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

09013016686	Amendment And Renewal	2009-Jan-30
14021700849	Renewal	2014-Feb-17
19020807273	Renewal	2019-Feb-08

**Debtor(s)**

**Block**

**Status**

1 R. BIRKILL PROFESSIONAL CORPORATION  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK -BUSINESS SERVICE CENTRE  
102 8 AVENUE SW  
CALGARY, AB T2P 1B3

Deleted by  
09013016686

**Block**

**Status**

2 ROYAL BANK OF CANADA  
180 WELLINGTON ST W BSC 3RD FL  
TORONTO, ON M5J 1J1

Current by  
09013016686

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z14806829

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

---

Registration Number: 04031718382

Registration Type: LAND CHARGE

Registration Date: 2004-Mar-17

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 R. BIRKILL PROFESSIONAL CORPORATION  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

---

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK -BUSINESS SERVICE CENTRE  
102 8 AVENUE SW  
CALGARY, AB T2P 1B3

Current

Search ID #: Z14806829

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

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Registration Number: 18082431197

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Aug-24

Registration Status: Current

Expiry Date: 2029-Aug-24 23:59:59

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Exact Match on:

Debtor

No: 2

---

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 R. BIRKILL PROFESSIONAL CORPORATION  
BIX 510  
LAC LA BICHE, AB T0A 2C0

**Secured Party / Parties**

**Block**

**Status**

Current

1 SERVUS CREDIT UNION LTD.  
151 KARL CLARK ROAD NW  
EDMONTON, AB T6N 1H5

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z14806829

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

Registration Number: 19072329968

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jul-23

Registration Status: Current

Expiry Date: 2025-Jul-23 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 R. BIRKILL PROFESSIONAL CORPORATION  
BOX 510  
LAC LA BICHE, AB T0G 2C0

Current

**Block**

**Status**

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DR  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 JOHN DEERE FINANCIAL INC.  
3430 SUPERIOR COURT  
OAKVILLE, ON L6L 0C4

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ONE JOHN DEERE 0568 E ROUND BALERS TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL.

Current

Search ID #: Z14806829

**Business Debtor Search For:**

R. BIRKILL PROFESSIONAL CORPORATION

Search ID #: Z14806829

Date of Search: 2022-Mar-21

Time of Search: 13:26:14

Registration Number: 21051929146

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-19

Registration Status: Current

Expiry Date: 2025-May-19 23:59:59

Exact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD.  
1007 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 R. BIRKILL PROFESSIONAL CORPORATION  
1007 101 AVE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

3 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

Current

1 MERIDIAN ONECAP CREDIT CORP.  
SUITE 1500, 4710 KINGSWAY  
BURNABY, BC V5H 4M2  
Email: absecparties@avssystem.com

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	49ST71721JP071411	2018	TRAILS WEST SF II 15'	TR - Trailer	Current

Search ID #: Z14806829

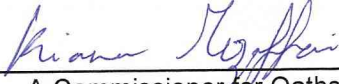
**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	TRAILER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL	Current

Result Complete



Exhibit "CC" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

Search ID #: Z14806832

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z14806832

Date of Search: 2022-Mar-21

Time of Search: 13:26:27

**Business Debtor Search For:**

1015314 ALBERTA LTD.

Exact Result(s) Only Found

**NOTE:**

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



Search ID #: Z14806832

**Business Debtor Search For:**

1015314 ALBERTA LTD.

Search ID #: Z14806832

Date of Search: 2022-Mar-21

Time of Search: 13:26:27

Registration Number: 04032432025

Registration Date: 2004-Mar-24

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Mar-24 23:59:59

Exact Match on: Debtor No: 1

**Amendments to Registration**

09013016771	Amendment And Renewal	2009-Jan-30
14022402576	Renewal	2014-Feb-24
19021509350	Renewal	2019-Feb-15

**Debtor(s)**

**Block**

**Status**

1 1015314 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK -BUSINESS SERVICE CENTRE  
102 8 AVENUE SW  
CALGARY, AB T2P 1B3

Deleted by  
09013016771

**Block**

**Status**

2 ROYAL BANK OF CANADA  
180 WELLINGTON ST W BSC 3RD FL  
TORONTO, ON M5J 1J1

Current by  
09013016771

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z14806832

**Business Debtor Search For:**

1015314 ALBERTA LTD.

Search ID #: Z14806832

Date of Search: 2022-Mar-21

Time of Search: 13:26:27

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Registration Number: 04032432140

Registration Date: 2004-Mar-24

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

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Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

1 1015314 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

**Status**

Current

---

**Secured Party / Parties**

**Block**

1 ROYAL BANK -BUSINESS SERVICE CENTRE  
102 8 AVENUE SW  
CALGARY, AB T2P 1B3

**Status**

Current

Search ID #: Z14806832

**Business Debtor Search For:**

1015314 ALBERTA LTD.

Search ID #: Z14806832

Date of Search: 2022-Mar-21

Time of Search: 13:26:27

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Registration Number: 04071920286

Registration Type: SECURITY AGREEMENT

Registration Date: 2004-Jul-19

Registration Status: Current

Expiry Date: 2025-Jul-19 23:59:59

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Exact Match on: Debtor No: 1

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**Amendments to Registration**

13022739721	Amendment	2013-Feb-27
19081302367	Amendment	2019-Aug-13
20010839154	Amendment	2020-Jan-08

---

**Debtor(s)**

**Block**

**Status**

1 1015314 ALBERTA LTD.  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

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**Secured Party / Parties**

**Block**

**Status**

1 AGRICULTURE FINANCIAL SERVICES CORPORATION  
BAG 5000, 4910 - 52 STREET  
CAMROSE, AB T4V4E8

Deleted by  
13022739721

**Block**

**Status**

2 AGRICULTURE FINANCIAL SERVICES CORPORATION  
4910 - 52 STREET  
CAMROSE, AB T4V 2V4  
Phone #: 780 679 1350 Fax #: 780 679 1394

Deleted by  
19081302367

**Block**

**Status**

3 AGRICULTURE FINANCIAL SERVICES CORPORATION  
5718 56 AVENUE  
LACOMBE, AB T4L 1B1

Deleted by  
20010839154

Search ID #: Z14806832

Phone #: 403 786 2683      Fax #: 403 782 8362  
Email: LoanCompliance.SpecialAccounts@afsc.ca

**Block**

4      AGRICULTURE FINANCIAL SERVICES CORPORATION S001943  
5718 56 AVENUE  
LACOMBE, AB T4L 1B1  
Phone #: 403 786 2683      Fax #: 403 782 8362  
Email: loancompliance.PPR@afsc.ca

**Status**

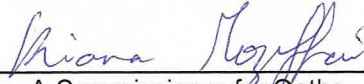
Current by  
20010839154

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY	Current
2	ALL BOOK ACCOUNTS AND BOOK DEBTS AND GENERALLY ALL ACCOUNTS	Current
3	DEBTS, CLAIMS AND DEMANDS, CHOSSES IN ACTION, OF EVERY NATURE	Current
4	AND KIND HOWSOEVER ARISING OR SECURED INCLUDING LETTERS OF	Current
5	CREDIT, WHICH ARE NOW DUE, OWING OR ACCRUING OR GROWING DUE	Current
6	TO THE BORROWER OR OWNED BY THE BORROWER AND ANY AND ALL	Current
7	PROCEEDS DERIVED THEREFROM	Current

Result Complete

Exhibit "DD" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in cursive script, reading "Kiana Mozaffari", written in dark ink. The signature is positioned above a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

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**POSTPONEMENT AND ASSIGNMENT OF CLAIM  
RETENTION - M**

**ROYAL BANK OF CANADA**

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, all debts and liabilities, present and future (the "Liabilities"), of 1692260 Alberta Ltd. (hereinafter called the "Borrower") to the Undersigned, or any of them, are hereby deferred and postponed by the Undersigned, and each of them, to the debts, liabilities and advances, present and future (the "Obligations"), of the Borrower to the Royal Bank of Canada (the "Bank") and it is agreed by the Undersigned, and each of them, that until all Obligations of the Borrower to the Bank have been paid, no payment shall be made or received on account of any Liabilities of the Borrower to the Undersigned, or any of them, and that any payments which may be received by the Undersigned, or any of them, from the Borrower (or from any third party on account of or otherwise for the benefit of the Borrower) notwithstanding the foregoing shall be received in trust for the Bank and shall be paid over to the Bank forthwith upon receipt but no such payment shall have the effect of reducing the Obligations of the Borrower to the Bank until the same is actually received by the Bank; and none of the Liabilities of the Borrower to the Undersigned, or any of them, shall be released, transferred or charged in any manner whatsoever or allowed or permitted to become unenforceable through lapse of time, and the Bank may, but shall not be bound to, claim and prove in respect of any or all Liabilities of the Borrower to the Undersigned, or any of them, in any bankruptcy, insolvency, composition, scheme of arrangement, liquidation or winding-up, voluntary or involuntary, affecting the Borrower or any distribution of assets of the Borrower among creditors of the Borrower, and all of the Liabilities of the Borrower to the Undersigned, or any of them, are hereby assigned and transferred to the Bank and all dividends or other sums which may be or become payable in respect thereof shall be due and be paid to the Bank until the Bank shall have received, together with dividends on the Obligations of the Borrower to the Bank, the full amount of the said Obligations; and the Undersigned, and each of them, will from time to time execute all such statements, proofs of claims, transfers, assignments and documents and do all such other acts and things as the Bank may request from time to time to implement any and all of the foregoing.

IT IS AGREED by the Parties hereto that the Borrower will pay all costs, charges and expenses reasonably incurred by the Bank whether directly or for services rendered (including reasonable solicitors' and auditors' costs, registration costs and other legal expenses), in operating the Borrower's accounts, in preparing or enforcing this Agreement, and all such costs, charges and expenses.

IT IS AGREED by the Parties hereto that the Obligations of the Borrower to the Bank, whenever referred to herein, shall include any and all funds advanced or held at the disposal of the Borrower under any line(s) of credit.

THIS AGREEMENT shall extend to and enure to the benefit of the Bank and its successors and assigns and shall be binding upon the Undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the Undersigned, and each of them.

(Applicable in PPSGA Provinces) The Undersigned hereby acknowledges receipt of a copy of this agreement.

(Applicable in the Province of Quebec) The Undersigned has (have) expressly requested that this document be drawn up in the English language. Le(s) sous-signé(s) a(ont) expressément demandé que ce document soit rédigé en langue anglaise.

(Applicable in all PPSGA Provinces except Ontario) The Undersigned hereby waives Undersigned's right to receive a copy of any financing statement or financing change statement registered by the Bank, or of any verification statement with respect to any financing statement registered by the Bank.

Executed at Lac La Biche, Alberta, this 12 day of January, 2018.

In the presence of

[Signature]  
Witness - RANDOLPH R. BENSON

[Signature]  
RICHARD BIRKILL

The "Borrower" named above hereby acknowledges receipt of a copy of the foregoing Agreement, accepts the assignment and transfer contained therein and further agrees with the Bank to give effect to all of the provisions of the foregoing Agreement.

Executed at Lac La Biche, Alberta, this 12 day of January, 2018.

In the presence of

1692260 ALBERTA LTD.

Per: [Signature]  
I have the authority to bind the Corporation  
Richard Birkill  
Per: \_\_\_\_\_

BRANCH ADDRESS  
38 York Mills Road, 4<sup>th</sup> Floor  
Toronto, Ontario M2P 0A4

Insert the full name and address of Debtor (Undersigned above)  
Full name and address  
Richard Birkill of Box 510, Lac La Biche, Alberta T0A 2C0



Exhibit "EE" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in cursive script, reading "Kiana Mozaffari".

---

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

Search ID #: Z14808187

**Transmitting Party**

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW  
EDMONTON, AB T5J 3H1

Party Code: 50073881  
Phone #: 780 429 5969  
Reference #:

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

**Individual Debtor Search For:**

BIRKILL, RICHARD

Both Exact and Inexact Result(s) Found

**NOTE:**

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



Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 05050425171

Registration Date: 2005-May-04

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-May-04 23:59:59

Inexact Match on: Debtor No: 1

**Amendments to Registration**

10042931567	Renewal	2010-Apr-29
15040608867	Renewal	2015-Apr-06
20040308426	Renewal	2020-Apr-03
22032134048	Amendment	2022-Mar-21

**Debtor(s)**

**Block**

1 BIRKILL, RICHARD, SIDNEY  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Status**  
Current

**Secured Party / Parties**

**Block**

1 ROYAL BANK OF CANADA  
180 WELLINGTON ST W. (B.S.C.) 3RD FLOOR  
TORONTO, ON M5J 1J1

**Status**  
Deleted by  
22032134048

**Block**

2 ROYAL BANK OF CANADA  
180 WELLINGTON ST W. (B.S.C.) 3RD FLOOR  
TORONTO, ON M5J 1J1  
Email: TORBSCPR@RBC.COM

**Status**  
Current by  
22032134048

Search ID #: Z14808187

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL PRESENT AND AFTER-ACQUIRED INTANGIBLES (INCLUDING	Current
2	ACCOUNTS), INSTRUMENTS, CHATTEL PAPER, SECURITIES AND MONEY (AS	Current
3	EACH OF THOSE TERMS ARE DEFINED IN THE PPSA) REPRESENTING	Current
4	AMOUNTS OWED OR OWING TO THE DEBTOR (OR IF THERE IS MORE THAN	Current
5	ONE DEBTOR, REPRESENTING AMOUNTS OWED OR OWING TO ANY ONE OR	Current
6	MORE OF THE DEBTORS) FROM R. BIRKILL PROFESSIONAL CORPORATION	Current
7	PROCEEDS: A SECURITY INTEREST IS CLAIMED IN ALL PRESENT AND	Current
8	AFTER-ACQUIRED GOODS (INCLUDING TRADE-INS), CHATTEL PAPER,	Current
9	SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND	Current
10	INTANGIBLES OF EVERY ITEM OR KIND THAT MAY BE DERIVED FROM THE	Current
11	SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED ABOVE, ALL	Current
12	INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF THE FOREGOING	Current
13	All present and after acquired intangibles, instruments, chattel paper, investment property and money (as each of those terms are defined in the PPSA) representing amounts owed or owing to the Debtor from R. Birkill Professional Corporation, and any proceeds of the foregoing.	Current By 22032134048

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 18010220011

Registration Date: 2018-Jan-02

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jan-02 23:59:59

Exact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD  
BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Block**

**Status**

2 1692260 ALBERTA LTD.  
10120 - 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL INDEBTEDNESS AND LIABILITIES, PRESENT AND FUTURE, NOW OR  
HEREAFTER OWED BY 1692260 ALBERTA LTD. TO RICHARD BIRKILL AND ALL  
PROCEEDS THEREOF, ACCESSIONS THERETO AND SUBSTITUTIONS THEREFOR,  
INCLUDING WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS,  
DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS  
DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS  
THEREUNDER AND ANY AMENDMENTS THERETO).

Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 18060814029

Registration Date: 2018-Jun-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jun-08 23:59:59

Inexact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**  
Current

1 1692260 ALBERTA LTD  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**  
Current

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**  
Current

1 ROYAL BANK OF CANADA  
10 YORK MILLS ROAD 3RD FLOOR  
TORONTO, ON M2P 0A2

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	1C6RR7MM7JS282671	2018	Ram 1500	MV - Motor Vehicle	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 18060814140

Registration Date: 2018-Jun-08

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jun-08 23:59:59

Inexact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**

Current

1 1692260 ALBERTA LTD  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**

Current

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DRIVE BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

Current

1 ROYAL BANK OF CANADA  
10 YORK MILLS ROAD 3RD FLOOR  
TORONTO, ON M2P 0A2

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	1C6RR7MM7JS282671	2018	Ram 1500	MV - Motor Vehicle	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 18091029896

Registration Date: 2018-Sep-10

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Sep-10 23:59:59

Inexact Match on: Debtor No: 1

**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD, SIDNEY  
BOX 501 - 501 ULLIAC DRIVE OLD  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Secured Party / Parties**

**Block**

**Status**

1 DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.  
3450 SUPERIOR COURT, UNIT 1  
OAKVILLE, ON L6L 0C4

Current

**Collateral: General**

**Block**

**Description**

**Status**

- |   |   |         |
|---|---|---------|
| 1 | All personal property of the debtor financed by the secured       | Current |
| 2 | party, wherever situated, consisting of                           | Current |
| 3 | 2018 VERMEER R2300 TWIN RAKE S/N 1VR3201B9J1019147                | Current |
| 4 | 2014 KUBOTA DM2032 3 PT HITCH MOWER S/N KT446617                  | Current |
| 5 | together with all parts and accessories relating thereto, all     | Current |
| 6 | attachments, accessories and accessions thereto or thereon, all   | Current |
| 7 | replacements, substitutions, additions and improvements of all or | Current |
| 8 | any part of the foregoing.  | Current |
| 9 | Proceeds: all of the debtor's present and after acquired goods,   | Current |



Search ID #: Z14808187

10	motor vehicles, accounts, money, chattel paper, documents of	Current
11	title, investment property, instruments and intangibles as	Current
12	defined in the Personal Property Security Act, insurance proceeds	Current
13	and all other substitutions, renewals, alterations or proceeds of	Current
14	every description and of any kind whatsoever derived directly or	Current
15	indirectly from any dealings with the general collateral	Current
16	described above, or proceeds therefrom.	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 18091813831

Registration Date: 2018-Sep-18

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Sep-18 23:59:59

Exact Match on: Debtor No: 1

Inexact Match on: Debtor No: 3

**Amendments to Registration**

18092527077

Amendment

2018-Sep-25

**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD  
501 ULLIAC DR  
LAC LA BICHE, AB T0A 2C0

Current

**Block**

**Status**

2 BIRKILL, MARIKA  
501 ULLIAC DR  
LAC LA BICHE, AB T0A 2C0

Current

**Block**

**Status**

3 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DR  
LAC LA BICHE, AB T0A2C0

Current by  
18092527077

**Block**

**Status**

4 BIRKILL, MARIKA, MARYNA  
501 ULLIAC DR  
LAC LA BICHE, AB T0A2C0

Current by  
18092527077

Search ID #: Z14808187

**Secured Party / Parties**

**Block**

**Status**

Current

1 JOHN DEERE FINANCIAL INC.  
3430 SUPERIOR COURT  
OAKVILLE, ON L6L 0C4

**Collateral: Serial Number Goods**

**Block**

**Serial Number**

**Year**

**Make and Model**

**Category**

**Status**

1	1L06125RJFK821607	2015	JOHN DEERE 6125RL	MV - Motor Vehicle	Current
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**Collateral: General**

**Block**

**Description**

**Status**

Current

1 ONE JOHN DEERE 6125RL TWO WHEEL DRIVE TRACTORS-MFWD ONE JOHN DEERE H340XP LOADERS TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL.

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 19050901098

Registration Date: 2019-May-09

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-May-09 23:59:59

Exact Match on: Debtor No: 2

Inexact Match on: Debtor No: 3

**Debtor(s)**

**Block**

**Status**

1 11692260 ALBERTA LTD.  
1007 101 AVE  
LAC LA BICHE, AB T0A 3Z0

Current

**Block**

**Status**

2 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

Birth Date:  
1967-Aug-17

**Block**

**Status**

3 BIRKILL, RICHARD, SIDNEY  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

1 BODKIN, A DIVISION OF BENNINGTON FINANCIAL CORP.  
102-1465 NORTH SERVICE RD E  
OAKVILLE, ON L6H 1A7

Current

Search ID #: Z14808187

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	PURSUANT TO LEASE AGREEMENT 50005447, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50005447 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 (1) POSTMASTER - 56" STROKE / 6" COLLAR, (1) POST GRAPPLE	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 19061241911

Registration Date: 2019-Jun-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jun-12 23:59:59

Exact Match on: Debtor No: 4

Inexact Match on: Debtor No: 3

**Debtor(s)**

**Block**

1 1692260 ALBERTA LTD.  
1007 101 AVE  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

**Block**

2 1692260 ALBERTA LTD.  
10120 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

**Block**

3 BIRKILL, RICHARD, SIDNEY  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

Birth Date:  
1967-Aug-17

**Block**

4 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

Birth Date:  
1967-Aug-17

Search ID #: Z14808187

**Secured Party / Parties**

**Block**

**Status**

Current

1 BODKIN, A DIVISION OF BENNINGTON FINANCIAL CORP.  
102-1465 NORTH SERVICE RD E  
OAKVILLE, ON L6H 1A7

**Collateral: General**

**Block**

**Description**

**Status**

Current

1 PURSUANT TO LEASE AGREEMENT 50006055, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50006055 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING  
1 2013 TEREX PT-60 SKIDSTEER .

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 19072317637

Registration Date: 2019-Jul-23

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Jul-23 23:59:59

Inexact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**  
Current

1 1692260 ALBERTA LTD.  
1007 101 AVE, BOX 510  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**  
Current

2 BIRKILL, RICHARD, SIDNEY  
1007 101 AVE, BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**  
Current

1 CWB NATIONAL LEASING INC.  
1525 BUFFALO PLACE  
WINNIPEG, MB R3T 1L9  
Phone #: 204 954 9000 Fax #: 866 814 4752  
Email: ppsa.adminstration@cwbnationalleasing.com

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	2DASC1149GT017874	2016	DOUBLE A QS37 4X8 TRAILER	TR - Trailer	Current



Search ID #: Z14808187

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	ALL TRAILER WITH DIGITAL SCREEN OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2944849, BETWEEN FIRST CAPITAL LEASING LTD., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.	Current

**Particulars**

<b><u>Block</u></b>	<b><u>Additional Information</u></b>	<b><u>Status</u></b>
1	Purchase Money Security Interest.	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 19072329968

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Jul-23

Registration Status: Current

Expiry Date: 2025-Jul-23 23:59:59

Inexact Match on: Debtor No: 2

**Debtor(s)**

**Block**

**Status**  
Current

1 R. BIRKILL PROFESSIONAL CORPORATION  
BOX 510  
LAC LA BICHE, AB T0G 2C0

**Block**

**Status**  
Current

2 BIRKILL, RICHARD, SIDNEY  
501 ULLIAC DR  
LAC LA BICHE, AB T0A 2C0

**Secured Party / Parties**

**Block**

**Status**  
Current

1 JOHN DEERE FINANCIAL INC.  
3430 SUPERIOR COURT  
OAKVILLE, ON L6L 0C4

**Collateral: General**

**Block**

**Description**

**Status**

1 ONE JOHN DEERE 0568 E ROUND BALERS TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL. Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

---

Registration Number: 19102539936

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Oct-25

Registration Status: Current

Expiry Date: 2026-Oct-25 23:59:59

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Exact Match on: Debtor No: 1

Inexact Match on: Debtor No: 2

Inexact Match on: Debtor No: 3

Inexact Match on: Debtor No: 4

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**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD  
501 LILIAN DRIVE  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Block**

**Status**

2 BIRKILL, RICHARD, SIDNEY  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Block**

**Status**

3 BIRKILL, RICHARD, S  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

Current

**Block**

**Status**

4 BURKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Current

Search ID #: Z14808187

Birth Date:  
1967-Aug-17

**Block**

5 BIRKHILL, RICHARD, S  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

Birth Date:  
1967-Aug-17

**Block**

6 BINKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

**Status**  
Current

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

1 TRAVELERS FINANCE LTD.  
800-9900 KING GEORGE BLVD  
SURREY, BC V3T 0K7

**Status**  
Current

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	SAJAK4BN6HCP13964	2017	JAGUAR XE	MV - Motor Vehicle	Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

---

Registration Number: 20111010192

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Nov-10

Registration Status: Current

Expiry Date: 2027-Nov-10 23:59:59

---

Inexact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 BIRKILL, RICHARD, SIDNEY  
P.O.BOX - 510 501 ULLIAC DRIVE  
LAC LA BICHE, AB T0A 2C0

Current

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK OF CANADA  
10 YORK MILLS ROAD 3RD FLOOR  
TORONTO, ON M2P 0A2  
Email: abautonsp@teranet.ca

Current

**Collateral: Serial Number Goods**

**Block**

**Serial Number**

**Year**

**Make and Model**

**Category**

**Status**

1 KM8K23AG1MU113921 2021 Hyundai Kona EV MV - Motor Vehicle Current

Search ID #: Z14808187

**Individual Debtor Search For:**

BIRKILL, RICHARD

Search ID #: Z14808187

Date of Search: 2022-Mar-21

Time of Search: 15:43:36

Registration Number: 21051929146

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-19

Registration Status: Current

Expiry Date: 2025-May-19 23:59:59

Exact Match on: Debtor No: 3

**Debtor(s)**

**Block**

**Status**  
Current

1 1692260 ALBERTA LTD.  
1007 101 AVENUE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**  
Current

2 R. BIRKILL PROFESSIONAL CORPORATION  
1007 101 AVE  
LAC LA BICHE, AB T0A 2C0

**Block**

**Status**  
Current

3 BIRKILL, RICHARD  
PO BOX 510  
LAC LA BICHE, AB T0A 2C0

Birth Date:  
1967-Aug-17

**Secured Party / Parties**

**Block**

**Status**  
Current

1 MERIDIAN ONECAP CREDIT CORP.  
SUITE 1500, 4710 KINGSWAY  
BURNABY, BC V5H 4M2  
Email: absecparties@avssystems.ca

**Collateral: Serial Number Goods**

<b><u>Block</u></b>	<b><u>Serial Number</u></b>	<b><u>Year</u></b>	<b><u>Make and Model</u></b>	<b><u>Category</u></b>	<b><u>Status</u></b>
1	49ST71721JP071411	2018	TRAILS WEST SF II 15'	TR - Trailer	Current

Search ID #: Z14808187

**Collateral: General**

<b><u>Block</u></b>	<b><u>Description</u></b>	<b><u>Status</u></b>
1	TRAILER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL	Current

Search ID #: Z14808187

**Note:**

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

**Debtor Name / Address**

Birth Date:

**Reg.#**

1994-May-24

18041210577

BURKELL, RACHELL, JULIANNE  
155 PINNACLE DR 117  
GRANDE PRAIRIE, AB T8W 0G1

**SECURITY AGREEMENT**

Result Complete



Exhibit "FF" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

1692260 Alberta Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to 1692260 Alberta Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with 1692260 Alberta Ltd. ("**169**"). Our client advises that 169 is presently indebted to it for the following indebtedness, without limitation:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum above Prime;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) 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.

Please find enclosed for service upon 169 a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

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.

Yours truly,

**Dentons Canada LLP**

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: 1692260 Alberta Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property;
  - (b) all present and after-acquired personal property situate on, used in connection with, or arising from the business or affairs carried on, at or about lands legally described as Plan 9924859, Block 27, Lot 4;
  - (c) lands legally described as:  
  
PLAN 581HW  
BLOCK 1  
LOTS 4 – 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
and  
  
PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
(the "**Lands**");
  - (d) all rents and revenues derived from the Lands;
  - (e) all right, title and interest under any policies of insurance covering the personal property and any policies of insurance in respect of the Lands;
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated March 3, 2016;
  - (b) Site Specific Security Agreement dated January 12, 2018;
  - (c) Commercial Mortgage dated January 12, 2018;
  - (d) Collateral Mortgage dated March 3, 2016;
  - (e) Assignment of Rents dated January 12, 2018;



## CONSENT TO EARLY ENFORCEMENT

**1692260 Alberta Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

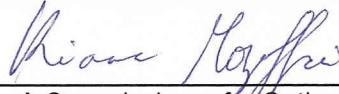
Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**1692260 ALBERTA LTD.**

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

Name:

Exhibit "GG" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

大成 DENTONS

Dean A. Hitesman  
Partner

dean.hitesman@dentons.com  
D +1 780 423 7284

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

dentons.com

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

Birkill Holdings Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to Birkill Holdings Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with Birkill Holdings Ltd. ("**Birkill Holdings**"). Our client advises that Birkill Holdings is presently indebted to it for the following indebtedness, without limitation:

- a. Residential Mortgage #8799-93620888-001- outstanding balance as at March 10, 2022, of \$431,970.19, plus interest thereon and thereafter at the rate of 2.69% per annum;
- b. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) and (b) 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.

Please find enclosed for service upon Birkill Holdings a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).


Fernanda Lopes & Asociados ▶ Guevara & Gutierrez ▶ Paz Horowitz Abogados ▶ Sirote ▶ Adepetun Caxton-Martins Agbor & Segun ▶ Davis Brown ▶ East African Law Chambers ▶ Eric Silwamba, Jalasi and Linyama ▶ Durham Jones & Pinegar ▶ LEAD Advogados ▶ Rattagan Macchiavello Arocena ▶ Jiménez de Aréchaga, Viana & Brause ▶ Lee International ▶ Kensington Swan ▶ Bingham Greenebaum ▶ Cohen & Grigsby ▶ Sayarh & Menjra ▶ For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)



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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: Birkill Holdings Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) lands legally described as:  
  
PLAN 4313BF  
BLOCK 10  
LOT 24  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
(the "**Lands**")
2. The security that is to be enforced is in the form of:
  - (a) Mortgage dated March 28, 2013.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$431,970.19, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:



Per: D3DB418C59DF4BF..

Dean Hitesman

## CONSENT TO EARLY ENFORCEMENT

**Birkill Holdings Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

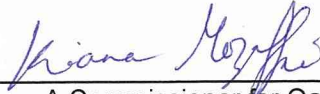
Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**BIRKILL HOLDINGS LTD.**

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

Name: ' \_\_\_\_\_

Exhibit "HH" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022



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A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

R. Birkill Professional Corporation  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to R. Birkill Professional Corporation**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with R. Birkill Professional Corporation ("**Birkill PC**"). Our client advises that Birkill PC is presently indebted to it for the following indebtedness, without limitation:

- a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% above the prime rate of interest maintained by RBC from time to time ("**Prime**"); and
- b. Overdrawn Account #08799-1002187 – outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate of 5.00% above Prime; and
- c. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (c) is referred to herein as the "**Birkill PC Indebtedness**").

Our client further advises that you guaranteed to RBC payment of the indebtedness of 1692260 Alberta Ltd. ("**169**") by way of a Guarantee and Postponement of Claim dated March 8, 2016, limited to the amount of \$850,000.00 plus interest from demand at a rate of 5.00% above Prime, plus costs on a solicitor and own client basis.

169 is presently indebted to RBC as follows:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum;

March 18, 2022  
Page 2

- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) is referred to herein as the “**169 Indebtedness**”).

On behalf of our client, we hereby demand payment of the Birkill PC Indebtedness and the 169 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.


Please find enclosed for service upon Birkill PC a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security which were sent on behalf of our client to 169, provided to you as guarantor of the 169 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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: client (via email)

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

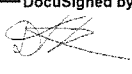
TO: R. Birkill Professional Corporation, an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property; and
  - (b) all present and future indebtedness of 1692260 Alberta Ltd. to the insolvent person.
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement granted by R. Birkill Professional Corporation; and
  - (b) Guarantee and Postponement of Claim dated March 8, 2016.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$955,526.84, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:  
  
Per: \_\_\_\_\_  
D3DB418C59DF4BF...  
Dean Hitesman

**CONSENT TO EARLY ENFORCEMENT**

**R. Birkill Professional Corporation** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**R. BIRKILL PROFESSIONAL CORPORATION**

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



March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

1692260 Alberta Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to 1692260 Alberta Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada (“**RBC**”) in respect of its dealings with 1692260 Alberta Ltd. (“**169**”). Our client advises that 169 is presently indebted to it for the following indebtedness, without limitation:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum above Prime;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) 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.

Please find enclosed for service upon 169 a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

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.

Yours truly,

**Dentons Canada LLP**

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: 1692260 Alberta Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property;
  - (b) all present and after-acquired personal property situate on, used in connection with, or arising from the business or affairs carried on, at or about lands legally described as Plan 9924859, Block 27, Lot 4;
  - (c) lands legally described as:

PLAN 581HW  
BLOCK 1  
LOTS 4 – 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS

and  

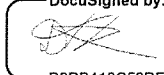
PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the “**Lands**”);
  - (d) all rents and revenues derived from the Lands;
  - (e) all right, title and interest under any policies of insurance covering the personal property and any policies of insurance in respect of the Lands;
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated March 3, 2016;
  - (b) Site Specific Security Agreement dated January 12, 2018;
  - (c) Commercial Mortgage dated January 12, 2018;
  - (d) Collateral Mortgage dated March 3, 2016;
  - (e) Assignment of Rents dated January 12, 2018;

- (f) General Assignment of Leases and Rents dated March 3, 2016;
- (g) Assignment of Insurance Interest dated January 12, 2018;
- 3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$2,135,268.80, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
- 4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:   
Per: D3DB418C59DF48F...  
Dean Hitesman

**CONSENT TO EARLY ENFORCEMENT**

**1692260 Alberta Ltd.** hereby confirms that:

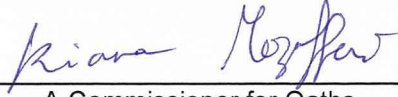
1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**1692260 ALBERTA LTD.**

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

Exhibit "II" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022



---

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

1015314 Alberta Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Indebtedness to Royal Bank of Canada – 1015314 Alberta Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada (“**RBC**”) in respect of its dealings with you. Our client advises that you guaranteed to RBC payment of the indebtedness of R. Birkill Professional Corporation (“**Birkill PC**”) by way of the following Guarantees and Postponements of Claim:

- a. Guarantee and Postponement of Claim dated May 5, 2018, limited to the amount of \$278,000.00 plus interest from demand at the rate of 5.00% per annum above the prime rate of interest charged by RBC from time to time (“**Prime**”), plus costs on a solicitor and own client basis; and
- b. Guarantee and Postponement of Claim dated June 29, 2012, limited to the amount of \$150,000.00 plus interest from demand at the rate of 5.00% per annum above Prime, plus costs on a solicitor and own client basis

(the “**Guarantees**”).

Our client advises that Birkill PC is indebted to it for the following indebtedness, without limitation:

- a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% above the prime rate of interest maintained by RBC from time to time (“**Prime**”);
- b. Bank Account #08799-1002187 – outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate of 5.00% above Prime; and
- c. legal costs payable on a solicitor and own client, full indemnity basis

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

Our client further advises that Birkill PC guaranteed to RBC payment of the indebtedness of 1692260 Alberta Ltd. ("169") by way of a Guarantee and Postponement of Claim dated March 8, 2016, limited to the amount of \$850,000.00 plus interest from demand at a rate of 5.00% above Prime, plus costs on a solicitor and own client basis.

169 is presently indebted to RBC as follows:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) is referred to herein as the "Birkill PC 169 Indebtedness").

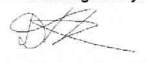
On behalf of our client, we hereby demand payment of the above-noted Birkill PC Indebtedness and the Birkill PC 169 Indebtedness pursuant to the Guarantees. Payment of the Indebtedness is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover same.

Please find enclosed for service upon you a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security which were sent on behalf of our client to Birkill PC, provided to you as 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.

Yours truly,  
Dentons Canada LLP

DocuSigned by:  
  
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Dean A. Hitesman  
Partner

DAH/ap  
Enclosures  
cc: client (via email)





**CONSENT TO EARLY ENFORCEMENT**

**1015314 Alberta Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**1015314 ALBERTA LTD.**

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

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

R. Birkill Professional Corporation  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to R. Birkill Professional Corporation**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with R. Birkill Professional Corporation ("**Birkill PC**"). Our client advises that Birkill PC is presently indebted to it for the following indebtedness, without limitation:

- a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% above the prime rate of interest maintained by RBC from time to time ("**Prime**"); and
- b. Overdrawn Account #08799-1002187 – outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate of 5.00% above Prime; and
- c. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (c) is referred to herein as the "**Birkill PC Indebtedness**").

Our client further advises that you guaranteed to RBC payment of the indebtedness of 1692260 Alberta Ltd. ("**169**") by way of a Guarantee and Postponement of Claim dated March 8, 2016, limited to the amount of \$850,000.00 plus interest from demand at a rate of 5.00% above Prime, plus costs on a solicitor and own client basis.

169 is presently indebted to RBC as follows:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum;

- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) is referred to herein as the “**169 Indebtedness**”).

On behalf of our client, we hereby demand payment of the Birkill PC Indebtedness and the 169 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.


Please find enclosed for service upon Birkill PC a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security which were sent on behalf of our client to 169, provided to you as guarantor of the 169 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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
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Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))


TO: R. Birkill Professional Corporation, an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property; and
  - (b) all present and future indebtedness of 1692260 Alberta Ltd. to the insolvent person.
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement granted by R. Birkill Professional Corporation; and
  - (b) Guarantee and Postponement of Claim dated March 8, 2016.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$955,526.84, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:  
  
Per: \_\_\_\_\_  
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Dean Hitesman

**CONSENT TO EARLY ENFORCEMENT**

**R. Birkill Professional Corporation** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**R. BIRKILL PROFESSIONAL CORPORATION**

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

Name:

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

1692260 Alberta Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to 1692260 Alberta Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada (“**RBC**”) in respect of its dealings with 1692260 Alberta Ltd. (“**169**”). Our client advises that 169 is presently indebted to it for the following indebtedness, without limitation:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum above Prime;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) 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.

Please find enclosed for service upon 169 a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

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.

Yours truly,

**Dentons Canada LLP**

DocuSigned by:  
  
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Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*



FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: 1692260 Alberta Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property;
  - (b) all present and after-acquired personal property situate on, used in connection with, or arising from the business or affairs carried on, at or about lands legally described as Plan 9924859, Block 27, Lot 4;
  - (c) lands legally described as:  
  
PLAN 581HW  
BLOCK 1  
LOTS 4 – 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
and  
  
PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
(the “**Lands**”);
  - (d) all rents and revenues derived from the Lands;
  - (e) all right, title and interest under any policies of insurance covering the personal property and any policies of insurance in respect of the Lands;
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated March 3, 2016;
  - (b) Site Specific Security Agreement dated January 12, 2018;
  - (c) Commercial Mortgage dated January 12, 2018;
  - (d) Collateral Mortgage dated March 3, 2016;
  - (e) Assignment of Rents dated January 12, 2018;



**CONSENT TO EARLY ENFORCEMENT**

**1692260 Alberta Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

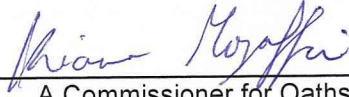
Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**1692260 ALBERTA LTD.**

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

Name:

Exhibit "JJ" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta  
KIANA MOZAFFARI  
Student-at-Law

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

Richard Birkill  
501 Ulliach Drive  
Lac La Biche, Alberta T0A 2C0

Richard Birkhill  
PO Box 510  
Lac La Biche, Alberta T0A

Dear Sir:

**Re: Indebtedness to Royal Bank of Canada - Richard Birkill**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with you. Our client advises that you guaranteed to RBC payment of the indebtedness of a number of parties as follows:

- a) Guarantee and Postponement of Claim securing payment of the indebtedness of R. Birkill Professional Corporation dated July 31, 2012, limited to the amount of \$250,000.00 plus interest from demand at the rate of 5.00% per annum above the prime rate of interest charged by RBC from time to time ("**Prime**"), plus costs on a solicitor and own client basis;
- b) Guarantee of Mortgage securing payment of the indebtedness of 1692260 Alberta Ltd. dated January 12, 2018, limited to the amount of \$630,720.00 plus interest from demand at the rate of 3.28% per annum, plus costs on a solicitor and own client basis; and
- c) Guarantee of Mortgage securing payment of the indebtedness of Birkill Holdings Ltd. dated March 27, 2013 in the principal amount of amount of \$612,000.00 plus interest from demand at the rate of 2.69% per annum, plus costs on a solicitor and own client basis

(together referred to hereinafter as the "**Guarantees**").

Our client advises that R. Birkill Professional Corporation is indebted to it for the following indebtedness, without limitation:

- a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% above Prime; and
- b. Overdrawn Account #08799-1002187 – outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate of 5.00% above Prime; and

Fernanda Lopes & Asociados ▶ Guevara & Gutierrez ▶ Paz Horowitz Abogados ▶ Sirote ▶ Adepetun Caxton-Martins Agbor & Segun ▶ Davis Brown ▶ East African Law Chambers ▶ Eric Silwamba, Jalasi and Linyama ▶ Durham Jones & Pinegar ▶ LEAD Advogados ▶ Rattagan Macchiavello Arocena ▶ Jiménez de Aréchaga, Viana & Brause ▶ Lee International ▶ Kensington Swan ▶ Bingham Greenebaum ▶ Cohen & Grigsby ▶ Sayarh & Menjra ▶ For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

- c. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (c) is referred to herein as the "**Birkill PC Indebtedness**").

1692260 Alberta Ltd. is indebted to RBC for the following indebtedness, without limitation:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum; and
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) is referred to herein as the "**169 Indebtedness**").

Birkill Holdings Ltd. is indebted to RBC for the following indebtedness, without limitation:

- a. Residential Mortgage #8799-93620888-001- outstanding balance as at March 10, 2022, of \$431,970.19, plus interest thereon and thereafter at the rate of 2.69% per annum;
- b. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) and (b) is referred to herein as the "**Birkill Holdings Indebtedness**").

On behalf of our client, we hereby demand payment of the Birkill PC Indebtedness, the 169 Indebtedness, and the Birkill Holdings Indebtedness (together the "**Indebtedness**") pursuant to the Guarantees.

Payment of the above-noted Indebtedness 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 same.


Please find enclosed for service upon you a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to dean.hitesman@dentons.com.

Please also find enclosed a copy of the demand letters and Notices of Intention to Enforce Security which were sent on behalf of our client to each of Birkill PC, 169, and Birkill Holdings, provided to you as 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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: Richard Birkill, an insolvent person


TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) All present and future indebtedness of R. Birkill Professional Corporation to the insolvent person;
  - (b) All present and future indebtedness of 1692260 Alberta Ltd. to the insolvent person; and
  - (c) All present and future indebtedness of Birkill Holdings Ltd. to the insolvent person.
2. The security that is to be enforced is in the form of:
  - (a) Guarantee and Postponement of Claim (limited) dated July 31, 2012;
  - (b) Guarantee of Mortgage (limited) dated January 12, 2018; and
  - (c) Guarantee of Mortgage (unlimited) dated March 27, 2013.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$1,168,217.03, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:

  
D3DB418C59DF4BF...

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

Dean Hitesman



**CONSENT TO EARLY ENFORCEMENT**

**Richard Birkill** hereby confirms that:

1. He has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, he hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
**WITNESS**

\_\_\_\_\_  
**RICHARD BIRKILL**

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

R. Birkill Professional Corporation  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to R. Birkill Professional Corporation**

Please be advised that we are the solicitors for Royal Bank of Canada (“**RBC**”) in respect of its dealings with R. Birkill Professional Corporation (“**Birkill PC**”). Our client advises that Birkill PC is presently indebted to it for the following indebtedness, without limitation:

- a. Operating Line of Credit #3009-34128637-001 - outstanding balance as at March 10, 2022, of \$100,152.53, plus interest thereon and thereafter at the rate of 0.75% above the prime rate of interest maintained by RBC from time to time (“**Prime**”); and
- b. Overdrawn Account #08799-1002187 – outstanding balance as at March 10, 2022, of \$5,374.31, plus interest thereon and thereafter at the rate of 5.00% above Prime; and
- c. legal costs payable on a solicitor and own client, full indemnity basis

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

Our client further advises that you guaranteed to RBC payment of the indebtedness of 1692260 Alberta Ltd. (“**169**”) by way of a Guarantee and Postponement of Claim dated March 8, 2016, limited to the amount of \$850,000.00 plus interest from demand at a rate of 5.00% above Prime, plus costs on a solicitor and own client basis.

169 is presently indebted to RBC as follows:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum;

Fernanda Lopes & Asociados ► Guevara & Gutierrez ► Paz Horowitz Abogados ► Sirote ► Adepetun Caxton-Martins Agbor & Segun ► Davis Brown ► East African Law Chambers ► Eric Silwamba, Jalasi and Linyama ► Durham Jones & Pinegar ► LEAD Advogados ► Rattagan Macchiavello Arocena ► Jiménez de Aréchaga, Viana & Brause ► Lee International ► Kensington Swan ► Bingham Greenebaum ► Cohen & Grigsby ► Sayarh & Menjra ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](http://dentons.com/legacyfirms)

- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) through (d) is referred to herein as the “**169 Indebtedness**”).

On behalf of our client, we hereby demand payment of the Birkill PC Indebtedness and the 169 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.


Please find enclosed for service upon Birkill PC a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

Please also find enclosed a copy of the demand letter and Notice of Intention to Enforce Security which were sent on behalf of our client to 169, provided to you as guarantor of the 169 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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

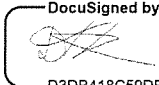
TO: R. Birkill Professional Corporation, an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property; and
  - (b) all present and future indebtedness of 1692260 Alberta Ltd. to the insolvent person.
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement granted by R. Birkill Professional Corporation; and
  - (b) Guarantee and Postponement of Claim dated March 8, 2016.
3. The total amount of indebtedness secured by the security is indebtedness in the amount of \$955,526.84, plus interest thereon from and after March 10, 2022, plus costs on a solicitor and own client full indemnity basis.
4. The secured-creditor will not have the right to enforce the security until after the expiry of the 10 day period following the sending of this Notice, unless otherwise ordered by the Court of Queen's Bench of the Province of Alberta or unless the insolvent persons consent to an earlier enforcement.

Dated at the City of Edmonton, in the Province of Alberta, this 18<sup>th</sup> day of March, 2022.

Royal Bank of Canada, by its solicitors and agents,  
Dentons Canada LLP

DocuSigned by:  
  
Per: \_\_\_\_\_  
D3DB418C59DF4BF...  
Dean Hitesman

**CONSENT TO EARLY ENFORCEMENT**

**R. Birkill Professional Corporation** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**R. BIRKILL PROFESSIONAL CORPORATION**

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

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

1692260 Alberta Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to 1692260 Alberta Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada (“**RBC**”) in respect of its dealings with 1692260 Alberta Ltd. (“**169**”). Our client advises that 169 is presently indebted to it for the following indebtedness, without limitation:

- a. Term Loan #3009-32167893-003- outstanding balance as at March 10, 2022, of \$674,677.72, plus interest thereon and thereafter at the rate of 3.06% per annum;
- b. Auto-Finance Vehicle Loan #4993-48870811-001– outstanding balance as at March 10, 2022, of \$31,389.36, plus interest thereon and thereafter at a rate of 3.59% per annum above Prime;
- c. Commercial Mortgage #3009-46297470-001 – outstanding balance as at March 10, 2022, of \$1,429,201.72, plus interest thereon and thereafter at a rate of 3.28% per annum;
- d. legal costs payable on a solicitor and own client, full indemnity basis

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

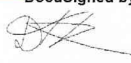
On behalf of our client, we hereby demand payment of the above-noted Indebtedness. Payment is to be made to our client care of this office within 10 days of this letter, failing which legal action and/or realization proceedings may be commenced to recover the same.

Please find enclosed for service upon 169 a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

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.

Yours truly,

**Dentons Canada LLP**

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*

FORM 115  
**NOTICE OF INTENTION TO ENFORCE SECURITY**  
(Subsection 244(1))

TO: 1692260 Alberta Ltd., an insolvent person

TAKE NOTICE THAT:

1. Royal Bank of Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property;
  - (b) all present and after-acquired personal property situate on, used in connection with, or arising from the business or affairs carried on, at or about lands legally described as Plan 9924859, Block 27, Lot 4;
  - (c) lands legally described as:  
  
PLAN 581HW  
BLOCK 1  
LOTS 4 – 6 INCLUSIVE  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
and  
  
PLAN 9924859  
BLOCK 27  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS  
  
(the “Lands”);
  - (d) all rents and revenues derived from the Lands;
  - (e) all right, title and interest under any policies of insurance covering the personal property and any policies of insurance in respect of the Lands;
2. The security that is to be enforced is in the form of:
  - (a) General Security Agreement dated March 3, 2016;
  - (b) Site Specific Security Agreement dated January 12, 2018;
  - (c) Commercial Mortgage dated January 12, 2018;
  - (d) Collateral Mortgage dated March 3, 2016;
  - (e) Assignment of Rents dated January 12, 2018;





## CONSENT TO EARLY ENFORCEMENT

**1692260 Alberta Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**1692260 ALBERTA LTD.**

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

Name:

March 18, 2022

File No.: 125665-9207

**Delivered Via Registered Mail**

Birkill Holdings Ltd.  
100, 10233 101 Avenue  
Lac La Biche, Alberta T0A 2C0

To whom it may concern:

**Re: Royal Bank of Canada - Loan to Birkill Holdings Ltd.**

Please be advised that we are the solicitors for Royal Bank of Canada ("**RBC**") in respect of its dealings with Birkill Holdings Ltd. ("**Birkill Holdings**"). Our client advises that Birkill Holdings is presently indebted to it for the following indebtedness, without limitation:

- a. Residential Mortgage #8799-93620888-001- outstanding balance as at March 10, 2022, of \$431,970.19, plus interest thereon and thereafter at the rate of 2.69% per annum;
- b. legal costs payable on a solicitor and own client, full indemnity basis

(the sum of (a) and (b) 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.

Please find enclosed for service upon Birkill Holdings a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*, as well as a Consent to Early Enforcement. If you are agreeable to RBC taking immediate steps to enforce its security please execute the Consent to Early Enforcement and return to our office by way of email to [dean.hitesman@dentons.com](mailto:dean.hitesman@dentons.com).

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.

Yours truly,

Dentons Canada LLP

DocuSigned by:  
  
D3DB418C59DF4BF...

Dean A. Hitesman  
Partner

DAH/ap  
Enclosures

cc: *client (via email)*



## CONSENT TO EARLY ENFORCEMENT

**Birkill Holdings Ltd.** hereby confirms that:

1. It has received the Notice of Intention to Enforce Security under Subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "Notice"); and
2. Notwithstanding the Notice, it hereby consents to the immediate enforcement by the Royal Bank of Canada or its agent(s) of the security set out in the Notice

Date at the City/Town of \_\_\_\_\_, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2021

**BIRKILL HOLDINGS LTD.**

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

Name:

Exhibit "KK" to the  
Affidavit of Jocelyn Berault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law

LAC LA BICHE COUNTY  
P.O. BOX 1679  
LAC LA BICHE AB  
TOA 2C0  
PHONE: (780) 623-1747 FAX: (780) 623-2039

T A X C E R T I F I C A T E

Roll Number: 450002933 Certificate Number: 12505  
Legal Description: Plan -Block -Lot  
9924859 -27 -4  
Municipal Address: 10310 102 AVENUE  
Assessable Area: LINC #: 0028038271  
Title #: 182036608

---

Tax year:	2020	2021
Tax Levy: \$	8,923.89	9,676.84
Local Improvement Levy: \$	.00	.00
Local Improvement Expiration Date:		
Current Taxes Outstanding: \$		.00
Arrears Taxes Outstanding: \$		65,683.68
Total amount of taxes payable at this date: \$		65,683.68

Total Utilities Balance including arrears: 16,452.13  
Total amount of Utilites in arrears: \$ 7,414.83

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SUPPLEMENTARY REMARKS

NOTICE OF PENALTIES ON TAXES REMAINING UNPAID:

July 1 - 5% penalty on all Taxes Outstanding

November 16 - 7% on all Taxes Outstanding

This certificate excludes any supplementary tax levy which may be placed on this property in the future.

ADDITIONAL UNPAID ACCOUNTS THAT MAY BE ADDED TO THE TAXES INCLUDE:

Water & Sanitation charges;

Work performed under the Weed Control Act

---

Your File ID. 125665-9207

ELDOR WAL REGISTRATIONS  
1200, 10123-99 STREET NW  
EDMONTON AB T5J 3H1  
CANADA


  
Melinda Gladue  
Tax Clerk  
Lac La Biche  
2022/03/21 11:29:24



Exhibit "LL" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

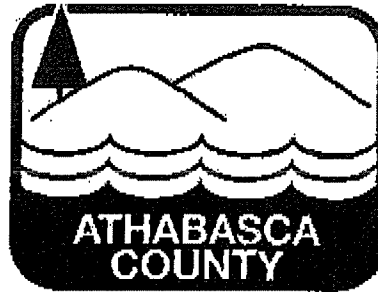
A handwritten signature in blue ink, appearing to read "Kiana Mozaffari", written over a horizontal line.

A Commissioner for Oaths  
in and for the Province of Alberta

KIANA MOZAFFARI  
Student-at-Law



PHONE: 780-675-2273  
FAX: 780-675-5512



3602 - 48 AVENUE  
ATHABASCA, AB T9S 1M8

9780

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## TAX CERTIFICATE

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Owner	1692260 Alberta Ltd.
Roll Number	487211203
Qtr Sec Twp Rge Mer	NE -21 -67 -18 -4
Lot Block Plan	4-6 -1 -581HW
Certificate of Title#	162077784
Acres	0.00
Linc #	0026648741

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I hereby certify that the following is a true statement of the taxes payable on the above described property in Athabasca County. For an abstract of any non-tax encumbrances other than taxes apply to the Registrar, Land Titles Office, Edmonton, Alberta.

Last Levy Year - 2021	
Last Current Levy	\$6,739.59
Last Local Improvement Levy	\$0.00
Current Balance	\$0.00
Arrears Balance	\$25,594.43
Taxes Outstanding	\$25,594.43
Utilities Outstanding	\$1,206.63
Balance Outstanding	\$26,801.06

TIPP - Pre-authorized Payment \$0.00  
Withdrawal on the 15th of each month



File: 125665-9207

Eldor Wal Registrations (1987)  
1200, 10123 - 99 Street, NW  
Edmonton, AB, T5J 3H1  
Canada

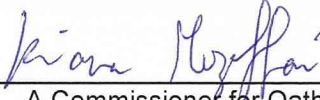
---

Nicole Cherniwchan  
Director of Corporate Services

Dated on: 2022-03-21  
Dated at: Athabasca, AB

---

Exhibit "MM" to the  
Affidavit of Jocelyn Beriault  
Sworn this 22<sup>nd</sup> day of March, 2022

A handwritten signature in blue ink, reading "Kiana Mozaffari".

---

A Commissioner for Oaths  
in and for the Province of Alberta

**KIANA MOZAFFARI**  
Student-at-Law

LAC LA BICHE COUNTY  
P.O. BOX 1679  
LAC LA BICHE AB  
T0A 2C0  
PHONE: (780)623-1747 FAX: (780)623-2039

T A X C E R T I F I C A T E

Roll Number: 400000654 Certificate Number: 12504  
Legal Description: Plan -Block -Lot  
4313BF -10 -24  
Municipal Address: 10009 103 AVENUE  
Assessable Area: LINC #: 0018008102  
Title #: 132093557

---

Tax year:	2020	2021
Tax Levy: \$	3,549.71	3,471.78
Local Improvement Levy: \$	.00	.00
Local Improvement Expiration Date:		
Current Taxes Outstanding: \$		.00
Arrears Taxes Outstanding: \$		14,023.89
Total amount of taxes payable at this date: \$		<u>14,023.89</u>
Total Utilities Balance including arrears:		3,697.24
Total amount of Utilites in arrears: \$		1,995.73

---

SUPPLEMENTARY REMARKS

NOTICE OF PENALTIES ON TAXES REMAINING UNPAID:

July 1 - 5% penalty on all Taxes Outstanding  
November 16 - 7% on all Taxes Outstanding

This certificate excludes any supplementary tax levy which may be placed on this property in the future.


ADDITIONAL UNPAID ACCOUNTS THAT MAY BE ADDED TO THE TAXES INCLUDE:

Water & Sanitation charges;  
Work performed under the Weed Control Act

---

Your File ID. 125665-9207

ELDOR WAL REGISTRATIONS  
1200, 10123-99 STREET NW  
EDMONTON AB T5J 3H1  
CANADA

  
Melinda Gladue  
Tax Clerk  
Lac La Biche  
2022/03/21 11:27:32