

COURT FILE NUMBER 2203-12557

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION,
MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52
DENTAL CORPORATION, 52 WELLNESS CENTRE INC.,
PARADISE MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE
MANAGEMENT LTD., FAISSAL MOUHAMAD and FETOUN
AHMAD, also known as FETOUN AHMED

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT WARREN SINCLAIR LLP
600, 4911 – 51 STREET
RED DEER, AB T4N 6V4
ATTENTION: MATTHEW R. PARK
PHONE: (403) 343-3320
FAX: (403) 343-6069
FILE NUMBER: 127984/MP

AFFIDAVIT OF Faissal Mouhamad

Sworn on August 23, 2022

I, FAISSAL MOUHAMAD, of Red Deer County, in the Province of Alberta, Businessman, MAKE OATH AND SAY AS FOLLOWS:

Introduction:

1. I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, in which case I verily believe the same to be

true.

2. I am one of the defendants named in this action.
3. I am the sole director and voting shareholder of the defendants Michael Dave Management Ltd., McIvor Developments Ltd. ("**McIvor**"), Faissal Mouhamad Professional Corporation ("**Faissal PC**"), 52 Wellness Centre Inc. and 985842 Alberta Ltd.
4. I am trained as a dentist. I obtained my dental degree in Syria and practiced in that country and elsewhere until approximately 1996, when I immigrated to Canada.
5. I am licensed by the Alberta Dental Association and College to practice dentistry in Alberta. I currently practice at clinics in both Red Deer, Alberta (the "**Red Deer Clinic**") and Calgary, Alberta (the "**Calgary Clinic**").
6. I am married to the defendant Fetoun Ahmad, also known as Fetoun Ahmed ("**Fetoun**").
7. The Defendant Delta Dental Corporation ("**Delta**") is an Alberta corporation which was incorporated in 2017. Fetoun is Delta's sole director and voting shareholder.
8. In 2020, Delta was struck from the Alberta corporate registry for failing to file annual returns. It was revived in July, 2021 for the purpose of managing the Red Deer Clinic's business operations.
9. The management functions exercised by Delta are as follows:
 - a) All, or substantially all, of the Red Deer Clinic's billing is through Delta; and

- b) All, or substantially all, of the Red Deer Clinic's business expenses are paid by Delta.
- 10. At no time has Delta had any sort of interest whatsoever, including an ownership interest, in the Red Deer Clinic patient charts, nor has it ever had any sort of control whatsoever over any of those charts. All of the charts are owned and controlled by me or the other dentists practicing at the Red Deer Clinic.
- 11. The defendant 52 Dental Corporation ("**52 Dental**") is an Alberta corporation which was incorporated in December, 2021 for the purpose of managing the Calgary Clinic's business operations. Fetoun is 52 Dental's sole director and voting shareholder.
- 12. The management functions exercised by 52 Dental are as follows:
 - c) All, or substantially all, of the Calgary Clinic's billing is through 52 Dental;
and
 - d) All, or substantially all, of the Calgary Clinic's business expenses are paid by 52 Dental.
- 13. At no time has 52 Dental had any sort of interest whatsoever, including an ownership interest, in the Red Deer Clinic patient charts, nor has it ever had any sort of control whatsoever over any of those charts. All of the charts are owned and controlled by me or the other dentists practicing at the Calgary Clinic.
- 14. Both Delta and 52 Dental maintain operating accounts at Bank of Nova Scotia, through which most of the revenue of the relevant clinics is receipted and out of which most of the expenses of those clinics are paid. Many of the expenses are paid by way of pre-authorized debit.

15. Bank of Nova Scotia has extended credit facilities to 52 Dental, the terms of which include a requirement that all revenue generated from the Calgary Clinic be deposited to 52 Dental's Bank of Nova Scotia operating account.

The Red Deer Dental Clinic:

16. As I previously indicated, I currently provide dental services to the Red Deer Clinic and the Calgary Clinic.
17. The Red Deer Clinic is an operational, fully functioning dental practice. It provides dental services 7 days a week, through 6 dentists (including me), 3 dental hygienists, 5 dental assistants, a sterilization technician and 7 administrative/support staff.

Sale of the Red Deer Clinic:

18. An unconditional agreement has been entered into to sell the Red Deer Clinic to Ghalib Hadi Professional Corporation (the "**Asset Purchase Agreement**"), the principal of which is Dr. Ghalib Hadi, a dentist who provides dental services to both the Red Deer Clinic and the Calgary Clinic. A redacted copy of the Asset Purchase Agreement is exhibited to the affidavit sworn by Jocelyn Beriault in this matter on August 19, 2022 (the "**Beriault Affidavit**").
19. The closing date provided for by the Asset Purchase Agreement is December 21, 2022.

Dewinton Property Sale:

20. McIvor is the registered owner of an undeveloped, approximately 70-acre parcel of land located in the vicinity of Dewinton, Alberta (the "**Dewinton Property**"). Marked as **Exhibit "A"** and attached hereto is a Land Title Certificate for the Dewinton Property as of August 22, 2022

21. McIvor has had the Dewinton Property listed for sale with Steve Seiler, a realtor with KDI Commercial Inc., since September 9, 2020 and has accepted an offer from Samer Altalaj to purchase that property for an amount sufficient to pay the indebtedness owed to the Plaintiff in full (the “**Altalaj Offer**”). A redacted copy of the Altalaj Offer is exhibited to the Beriault Affidavit.
22. The Altalaj Offer is unconditional and is slated to close on November 10, 2022.
23. The registrations against title include to the Dewinton Property include:
 - a) A mortgage in favor of Royal Bank of Canada (the “**RBC Mortgage**”);
 - b) A mortgage in favor of Faissal PC and 985;
 - c) A caveat in favour of the Plaintiff (the “**Caveat**”); and
 - d) A Certificate of *Lis Pendens* in favor of the Plaintiff (the “**CLP**”).
24. In addition to the registrations mentioned above, there is a Certificate of *Lis Pendens* in favor of the Plaintiff in the Pending Registration Que at the Land Titles Office (the “**Pending CLP**”), as well as discharge of a utility right of way or right of way agreement and what I understand to be a purchaser’s lien caveat in favour of Mr. Altalaj.
25. The RBC Mortgage secures repayment of all of McIvor’s present and future indebtedness to RBC, including any indebtedness that arises by way of guarantee.
26. The Caveat, CLP and Pending CLP relate to disputes between various defendants named in this action (including McIvor) and my brother, Mahmoud Mohamad (“**Moe**”), which have resulted in contested lawsuits. Marked as **Exhibit “B”** and attached hereto is a true copy of the Amended Statement of Claim filed in the action

to with the CLP relates (the “**Dewinton Property Action**”). Marked as **Exhibit “C”** and attached hereto is a true copy of the Statement of Defence filed in the Dewinton Action.

27. The Statement of Claim to which the Pending CLP relates has not yet been served.
28. In his pleadings filed in the Dewinton Property Action, Moe does not allege that the RBC Mortgage is invalid or unenforceable, nor does he allege that his registrations have any sort of priority to the RBC Mortgage.
29. On September 7, 2022, McIvor will apply for an order discharging the Caveat, CLP and Pending CLP from title to the Dewinton Property (the “**Discharge Application**”). Marked collectively as **Exhibit “D”** and attached hereto are true copies of the materials filed in support of the Discharge Application, along with McIvor’s proposed form of order.
30. Filed copies of the Discharge Application have been served on Moe’s legal counsel. To date, McIvor has not been served with copies of any materials filed in reply to the application.

The Receivership Application & the Proposed Interim Monitor Order:

31. I am informed by Matthew Park, a partner at the law firm Warren Sinclair LLP, legal counsel to me and to the defendants identified at paragraph 3 above, that he was served with unfiled copies of the materials to be relied on by the Plaintiff in support of its August 23, 2022 Receivership Application at approximately 5:30 pm on Friday, August 19, 2022.
32. Faissal PC’s position is that it has not been given adequate time to provide a meaningful response to the Plaintiff’s application and has proposed an adjournment of that application on the terms and conditions set out in the correspondence that is marked as

Exhibit "E" and attached hereto.

Conclusion:

33. I swear this affidavit in response to the Plaintiff's receivership application scheduled to take place on August 23, 2022.

SWORN before me at the City of Red Deer)
in the Province of Alberta, this 23 day)
of August, 2022)



A Commissioner for Oaths in and for
Alberta

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta



FAISSAL MOUHAMAD



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0030 234 033 4;29;21;32;SW 151 108 411

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 29 TOWNSHIP 21
SECTION 32
THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES NORTH EAST OF ROAD PLAN 8210125
CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

Table with 5 columns: PLAN, NUMBER, HECTARES, (ACRES), MORE OR LESS. Rows include ROAD 0210206, ROAD 0211040, and SUBDIVISION 0211003.

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: FOOTHILLS COUNTY

REFERENCE NUMBER: 121 300 022

Table with 5 columns: REGISTRATION, DATE (DMY), DOCUMENT TYPE, VALUE, CONSIDERATION. Row: 151 108 411, 29/04/2015, TRANSFER OF LAND, \$1,700,000, \$1,700,000

OWNERS
MCIVOR DEVELOPMENTS LTD.
OF 101, 5018-45 STREET
RED DEER
ALBERTA T4N 1K9

THIS IS EXHIBIT "A" referred to
in the Affidavit of Faissal Mahmud
sworn before me this 23
day of August, A.D. 2022
[Signature]

ENCUMBRANCES, LIENS & INTERESTS

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Row: 781 067 977, 04/05/1978, CAVEAT

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
 # 151 108 411

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

RE : DEFERRED RESERVE
 CAVEATOR - THE CALGARY REGIONAL PLANNING
 COMMISSION.

001 131 891 17/05/2000 UTILITY RIGHT OF WAY
 GRANTEE - TELUS COMMUNICATIONS INC.
 AS TO PORTION OR PLAN:0010715
 TAKES PRIORITY OF CAVEAT #991313501
 REGISTERED ON 27TH OCTOBER, 1999

001 327 578 15/11/2000 CAVEAT
 RE : RIGHT OF WAY AGREEMENT
 CAVEATOR - ATCO GAS AND PIPELINES LTD.
 909 11 AVE SW
 CALGARY
 ALBERTA T2R1L8

161 203 509 29/08/2016 MORTGAGE
 MORTGAGEE - ROYAL BANK OF CANADA.
 4943 ROSS STREET, 2ND FLOOR
 RED DEER
 ALBERTA T4N1X8
 ORIGINAL PRINCIPAL AMOUNT: \$6,000,000

201 128 323 23/07/2020 MORTGAGE
 MORTGAGEE - FAISSAL MOHAMAD PROFESSIONAL
 CORPORATION.
 MORTGAGEE - 985842 ALBERTA LTD.
 BOTH OF:
 C/O 7151-50 AVENUE
 RED DEER
 ALBERTA T4N4E4
 ORIGINAL PRINCIPAL AMOUNT: \$6,500,000
 SEE INSTRUMENT FOR INTEREST

201 128 484 23/07/2020 CAVEAT
 RE : BENEFICIAL OWNER
 CAVEATOR - MAHMOUD HUSEN MOHAMAD
 C/O ANDERSON JAMES MCCALL
 300, 444 5 AVE SW
 CALGARY
 ALBERTA T2P2T8
 AGENT - BRAD FINDLATER

201 139 847 11/08/2020 CERTIFICATE OF LIS PENDENS
 BY - MAHMOUD MOHAMAD
 SEE INSTRUMENT FOR INTEREST

221 097 848 11/05/2022 CAVEAT
 RE : UTILITY RIGHT OF WAY
 (CONTINUED)



END OF CERTIFICATE

CUSTOMER FILE NUMBER: 127984

ORDER NUMBER: 45236508

2022 AT 03:13 P.M.

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 22 DAY OF AUGUST,

TOTAL PENDING REGISTRATIONS: 003

001 CERTIFICATE OF LIS PENDENS 4:29:21:32;SM

D005MM6 07/06/2022 N/A
CUSTOMER FILE NUMBER: MCI VOR

001 DISCHARGE #151 108 411

D004MP8 13/05/2022 ATCO GAS
CUSTOMER FILE NUMBER: 403-245-7845
A066532

001 CAVEAT #151 108 411

D003XJQ 02/05/2022 BIAIN LEGAL
CUSTOMER FILE NUMBER: 403-235-3838
21-8035 ALTA LAJ

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

PENDING REGISTRATION QUEUE

TOTAL INSTRUMENTS: 008

CAVEATOR - ATCO GAS AND PIPELINES LTD.
909 11 AVE SW
CALGARY
ALBERTA T2R1L8

REGISTRATION NUMBER DATE (D/M/Y) PARTICULARS

151 108 411

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.

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Court File No 2001-09035
 Court Court of Queen's Bench of Alberta
 Judicial Centre Calgary
 Plaintiff Mahmoud Mohamad
 Defendants Faissal Mouhamad, Mclvor Developments Ltd., Michael Dave Management Ltd., Faissal Mouhamad Professional Corporation and 985842 Alberta Ltd.

Document AMENDED STATEMENT OF CLAIM

Address for service and contact information of party filing this document

ANDERSON JAMES MCCALL
 300, 444 -5th Avenue SW
 Calgary, AB T2P 2T8
 Attention: Brad J. Findlater
 Phone: 403.221.8333
 Facsimile: 403.221.8339
 File No.: 9409

AMENDED this 10TH day of August, 2020 Pursuant to Rule 3.05 dated the _____ day of _____

NOTICE TO DEFENDANTS

You are being sued. You are a defendant. Go to the end of this document to see what you can do and when you must do it.

The Parties

1. The Plaintiff, Mahmoud Mohamad ("**Mahmoud**") is an individual residing in Calgary, Alberta.
2. The Defendant, Faissal Mouhamad ("**Faissal**"), is an individual residing in Red Deer, Alberta. Faissal and Mahmoud are brothers.
3. The Defendant, Mclvor Developments Ltd. ("**Mclvor**"), is an Alberta corporation owned and operated by Faissal, who is also the sole director and shareholder.
4. The Defendant, Michael Dave Management Ltd. ("**MDM Corp**"), is an Alberta corporation owned and operated by Faissal, who is also the sole director and shareholder.
5. The Defendant, Faissal Mouhamad Professional Corporation ("**FMPC**"), is to the best of the Plaintiff's knowledge, a professional corporation with its main dental offices in Red Deer, Alberta, which to the best of the Plaintiff's knowledge, at all material times, Faissal was the sole practitioner.

THIS IS EXHIBIT B "The Defendant, 985842 Alberta Ltd. ("**985 Corp**"), is an Alberta corporation owned and operated by Faissal, who is also the sole director and shareholder. referred to in the Affidavit of Faissal Mouhamad

sworn before me this 23 day of August, A.D. 20 23

[Signature]
 A Commissioner for Oaths in and for Alberta

Matthew R. Park
 Barrister and Solicitor
 A Commissioner for Oaths
 in and for Alberta

7. The company 1711403 Alberta Ltd. ("171 Corp") is an Alberta corporation created by both Faissal and Mahmoud on or about 7 November 2012, for which both they are co-directors. The shareholdings of 171 Corp are listed at the corporate registry as 51% Faissal and 49% Mahmoud, however it should be 50% each.
8. The Defendants McIvor, MDM Corp, FMPC and 985 Corp are referred to collectively as the "Corporate Defendants".
9. At all material times, the Corporate Defendants were the *alter egos* of, and were dominated by Faissal. As such, Faissal is personally liable for the wrongful conduct of the Corporate Defendants set out below.

DeWinton Lands Acquisition

10. Mahmoud and Faissal are brothers who have historically done numerous land development projects and other investments together. One such investment was to purchase farmlands in the municipality of Foothills County, near the hamlet of DeWinton. The farmlands are comprised of 109 acres, legally described as follows:

MERIDIAN 4 RANGE 29 TOWNSHIP 21
 SECTION 32
 THAT PORTION OF THE SOUTH WEST QUARTER
 WHICH LIES NORTH EAST OF ROAD PLAN 8210125
 CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
 EXCEPTING THEREOUT

PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0210206	0.860	2.13	
ROAD	0211040	3.66	9.04	
SUBDIVISION	0211003	7.40	18.29	

 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK THE SAME

(the "DeWinton Lands")

11. In or around June 2012, Mahmoud executed a purchase contract with the previous owner to purchase the DeWinton Lands for a purchase price of \$1.7 million. The transaction was scheduled to close on or about 8 November 2012.
12. After executing the purchase and sale contract in his personal capacity, Mahmoud was approached by Faissal, who was interested in partnering with Mahmoud to purchase the DeWinton Lands. Mahmoud agreed to partner with Faissal for the purchase and development of the DeWinton Lands, incorporating 171 Corp on 7 November 2012 for that purpose.

13. Faissal and Mahmoud agreed to purchase the DeWinton Lands via 171 Corp for a purchase price of \$1.7 million, with title transferring to 171 Corp on 16 November 2012, registered as instrument number 121 300 022.
14. 171 Corp was created for the sole purpose of holding title to the DeWinton Lands, which was its only asset. 171 Corp did not conduct any other business.
15. With respect to the funds to purchase the DeWinton Lands, Mahmoud and Faissal agreed that:
 - a. Mahmoud and Faissal would each contribute equally to the purchase price of the DeWinton Lands, at \$850,000 each;
 - b. Mahmoud's \$850,000 contribution would be paid directly by Faissal by way of cash, in partial satisfaction of an investment liability that Faissal owed Mahmoud, in relation to Mahmoud's work associated with the construction of Faissal's primary residence municipally described as 52-26534 Township Road 384, Red Deer County, Alberta;
 - c. Faissal's \$850,000 contribution would be financed by way of a mortgage taken out by 171 Corp in the amount of \$900,000 from Paragon Capital Corporation Ltd., which was executed on 8 November 2012 by both Faissal and Mahmoud, on behalf of 171 Corp, and registered against title to the DeWinton Lands as instrument number 121 300 323 on 16 November 2012 (the "Paragon Mortgage"). The Paragon Mortgage had an interest rate of 0.625%; and
 - d. As the Paragon Mortgage represented Faissal's contribution to the purchase price, the brothers agreed that Faissal would be solely responsible for servicing the Paragon Mortgage, as well as the property taxes for the DeWinton Lands.
16. The investment strategy agreed to between the brothers was to sit on the DeWinton Lands for several years as the value increased, then use the equity in the DeWinton Lands to finance its development and subdivision into 144 lots. During that time Faissal and Mahmoud collaborated to execute steps towards completing the land development, including:
 - a. In or around January 2013 Mahmoud and Faissal (via 171 Corp) engaged the company 818 Studio Ltd. to create a land development proposal;
 - b. In or around April 2014 Mahmoud and Faissal (via 171 Corp) engaged Acumen Real Estate Valuations Inc. to provide an appraisal of the DeWinton Lands for potential financing, the value of which was appraised at \$6,000,000; and
 - c. Between 2014 and 2020 Faissal and Mahmoud's son purchased additional plots of land adjacent to the DeWinton Lands, in anticipation of the future development of these properties concurrently with the DeWinton Lands.

17. In or around 2016, both Mahmoud and Faissal's focus shifted to a different land development project in Chestermere that they were partners in, which is still ongoing today and for which Mahmoud is still owed money.

DeWinton Lands Scheme

18. Notwithstanding the joint ownership of the DeWinton Lands via 171 Corp and the plan to use the equity from that land to develop it, Faissal treated the DeWinton Lands as his own, without the knowledge of Mahmoud, as set out below (the "DeWinton Lands Scheme").
19. On or about 21 April 2015 Faissal executed a transfer of land on behalf of 171 Corp, transferring the DeWinton Lands from 171 Corp to his wholly owned corporation, Mclvor. The transfer was registered at land titles on 29 April 2015 as instrument number 151 108 411.
20. The transfer of land from 171 to Mclvor was executed without the knowledge or consent of Mahmoud. In fact, Mahmoud did not become aware the DeWinton Lands had been transferred out of the name of 171 Corp until in or around June 2020.
21. On the same day, 21 April 2015, Faissal (on behalf of Mclvor) executed a mortgage against the DeWinton Lands from the Toronto Dominion Bank in principal sum of \$2,500,000, which was registered against title to the DeWinton Lands on 29 April 2015 as instrument number 151 108 412 (the "TD Mortgage"). The TD Mortgage had an interest rate of 6.5% + prime. A discharge of the Paragon Mortgage was registered on 4 June 2015 as instrument number 151 139 440.
22. The TD Mortgage was procured by Faissal through Mclvor without the knowledge or consent of Mahmoud. In fact, Mahmoud did not become aware of the TD Mortgage until in or around July 2020.
23. On or about 12 August 2016 Faissal caused Mclvor to take out a mortgage against the DeWinton Lands from the Royal Bank of Canada for the principal amount of \$6,000,000 (the "RBC Mortgage"). The RBC Mortgage was registered against title to the DeWinton Lands on 29 August 2016 as instrument number 161 203 509. The RBC Mortgage has an interest rate of 5% plus prime. A discharge of the TD Mortgage was registered against title to the DeWinton Lands on 3 November 2016 as instrument number 161 203 509.
24. The RBC Mortgage was procured by Faissal through Mclvor without the knowledge or consent of Mahmoud. In fact, Mahmoud did not become aware of the RBC Mortgage until in or around June 2020. It is currently unknown what the balance is left owing is under the RBC Mortgage.
25. On 23 July 2020 Faissal, after the filing of the Statement of Claim in this Action, FMPC and 985 Corp caused a mortgage to be registered against title to the DeWinton Lands in

the principal amount of \$6,500,000, the mortgagees being FMPC for \$4,500,000 and 985 Corp for \$2,000,000 (the "Faissal Mortgage").

26. The Faissal Mortgage was also registered as against several other properties that are included and particularized at paragraphs __ below, and defined as the 'Real Property'.

As a result of the transfer of land to Mclvor, the TD Mortgage and the RBC Mortgage, and the Faissal Mortgage, Faissal (via Mclvor and the other Defendants) has removed all or most of the equity of the DeWinton Lands, for the sole benefit of himself and his related corporate entities, all without the knowledge or approval of Mahmoud. As no improvements or developments have been done to the DeWinton Lands, the funds from the RBC Mortgage were used by Faissal to purchase other properties or fund other investments. Breach of Duties to Mahmoud and 171 Corp

27. At all material times Faissal was permitted a discretion to act in ways that could significantly affect the interests of Mahmoud and 171 Corp, who were vulnerable in the exercise of that discretion, such that Faissal owed fiduciary duties to Mahmoud and 171 Corp.
28. At all material times, Faissal was co-director and shareholder of 171 Corp, and owed Mahmoud and 171 Corp statutory and common law duties, including but not limited to:
- a. to serve 171 Corp faithfully and loyally, and perform his duties and responsibilities in a competent and diligent manner, with due regard to the interests of Mahmoud;
 - b. to act honestly and in good faith in the performance of his duties and responsibilities;
 - c. to obey all lawful direction of 171 Corp, including the implied directions to perform the duties and responsibilities he was tasked with performing;
 - d. to not intentionally or recklessly perform any tasks in a manner detrimental to the interests or well-being of Mahmoud, or in a manner for which harm or loss was reasonably foreseeable;
 - e. to not misuse or misappropriate the funds, property or opportunities of the corporation;
 - f. to exercise reasonable care, diligence and skill in the performance and discharge of their duties to carry out the affairs of the corporation having regard to the best interests of the corporation, and to put those interests ahead of his own personal interests;
 - g. to perform his duties as director in an honest, diligent and competent manner; and
 - h. to keep the other director and shareholder of the corporation, being Mahmoud, properly informed of the financial affairs and business dealings of the corporation, and to not conceal facts or information from him about the financial affairs and business dealings of 171 Corp.

29. Faissal has mismanaged the affairs of 171 Corp, and has breached his statutory and common law duties of care to Mahmoud and 171 Corp, and has acted in a manner that is oppressive and prejudicial to Mahmoud, which includes the following:
- a. concealed the financial and business affairs of 171 Corp, the specifics of which are still being discovered, including selling or disposing all its assets;
 - b. redirected the corporate opportunities of 171 Corp to himself, Mclvor or the other Defendants;
 - c. is or was using the property of 171 Corp for his own personal use, without authorization, and has converted the property of 171 Corp to his own use, directly or indirectly;
 - d. has misappropriated assets from the corporation, the full specifics of which are still being discovered due to the intentional or reckless concealment of corporate information by Faissal;
 - e. has wrongfully diverted corporate opportunities of 171 Corp by transferring the DeWinton Lands and causing a mortgage to be taken out against all, or substantially all, of its equity;
 - f. without authority from 171 Corp, and without the knowledge, consent or approval of Mahmoud, Faissal has caused 171 Corp to pay his personal or related corporation expenses, the full specifics of which are still being discovered;
 - g. Has utilized his power as director and officer of 171 Corp, and has caused the business and affairs of 171 Corp to be carried on and conducted, in a manner that is oppressive or unfairly disregards the interests of Mahmoud; and
 - h. Such further breaches as may be discovered and proven at trial.
30. Further or in the alternative, Faissal as an officer and key employee of 171 Corp, having regard to the specific responsibilities of his respective position within 171 Corp, was privy to financial and proprietary business information of 171 Corp, and was afforded a discretion to act in ways that could adversely affect the interests of 171 Corp, and Mahmoud was vulnerable to him in the exercise of that discretion. Faissal accordingly owed 171 Corp fiduciary duties, including but not limited to a duty to perform his tasks and exercise his power and authority within 171 Corp in good faith, with a view to the best interests of 171 Corp, and in such a manner as to safeguard the interests of 171 Corp and its financial and proprietary business information.
31. As a result of the investment of Mahmoud into 171 Corp and the subsequent improper transfer of the DeWinton Lands to Mclvor, Faissal was the Trustee of Mahmoud's funds and as a result owed Mahmoud a fiduciary duty. This duty required, at minimum, for Faissal to report to the Plaintiff on the business and affairs of both 171 Corp and Mclvor.

32. As a result, the Plaintiff was and is a beneficial owner of no less than 50% of the issued and outstanding shares of Mclvor.
33. In accordance with the Plaintiff's beneficial interest in the DeWinton Lands, the Plaintiff caused a caveat to be registered against title to the DeWinton Lands on 20 July 2020 as instrument number 201 128 484 (the "Caveat").

Breach of Trust

34. At all material times, Mclvor was the Trustee for Mahmoud. As all acts of Mclvor as trustee were carried out by Faissal and Faissal possessed and administered the trust property, Faissal was a Trustee *de son tort* for the Plaintiff.
35. As Trustees, each of Faissal and Mclvor were in a fiduciary relationship with Mahmoud and owed to Mahmoud,
 - a. A duty to act honestly and with that level of skill and prudence which would be expected of the reasonable person;
 - b. A duty to not place their personal interests ahead of the interests of the Plaintiff;
 - c. A duty not to appropriate for other purposes the business and corporate opportunities arising from the trust relationship;
 - d. A duty to protect the assets standing in the name of 171 Corp and not to transfer any such assets without the express knowledge and approval of the Plaintiff, as beneficiary of this trust; and
 - e. A duty not to profit personally from its dealings with the trust property or with the beneficiary of the trust.
36. Mahmoud states that Faissal, Mclvor or both or either of them acted in breach of trust and in breach of their fiduciary duties to Mahmoud, the particulars of which include:
 - a. Failing to meet the standard of care of an ordinary trustee including failing to be honest to Mahmoud as the beneficiary of the trust, and failing to administer the trust in the way an ordinary prudent person would conduct his affairs;
 - b. Registering the shareholdings of 171 Corp as 51% Faissal and 49% Mahmoud, rather than the initially agreed upon shareholdings of 50/50;
 - c. Transferring the DeWinton Lands from the jointly owned company 171 Corp to the solely owned company Mclvor, without the knowledge or consent of Mahmoud;
 - d. Procuring the TD Mortgage against the DeWinton Lands for the principal amount of \$2.5 Million, without the knowledge and consent of Mahmoud, and for their benefit only;

- e. Procuring the RBC Mortgage against the DeWinton Lands for the principal amount of \$6 Million, without the knowledge and consent of Mahmoud, and for their benefit only;
 - f. Procuring the Faissal Mortgage against the DeWinton Lands for the principal amount of \$6.5 million, without the knowledge and consent of Mahmoud, for the benefit of the Defendants, and for an improper purpose;
 - g. Failing to account to Mahmoud for the proceeds from the TD Mortgage and the RBC Mortgage, or any investments for which those funds were used;
 - h. Failing to provide an accurate accounting to the Plaintiff or intentionally providing a misleading accounting to the Plaintiff including, Failing or refused to provide any financial information from 171 Corp and Mclvor or back up records in respect to Mahmoud's investments notwithstanding the obligation of a Trustee to do so;
 - i. Carrying out self-dealing transactions including the DeWinton Lands Scheme, and taking numerous business and corporate opportunities, for Faissal's personal benefit or for the benefit of his related corporations or unknown third parties;
 - j. Failing to disclose or otherwise misrepresenting his conduct to Mahmoud; and
 - k. Such further and other breaches as may be proven at the trial of this action.
37. As a result of the breaches of trust by Faissal and Mclvor, Mahmoud has suffered and will continue to suffer damages and losses, particulars of which include:
- a. Loss of equity of the DeWinton Lands;
 - b. Loss of investment opportunity;
 - c. Loss of business opportunity, including the ability to develop the DeWinton Lands and neighbouring parcels of land that were purchased by Mahmoud and his son;
 - d. Loss of share value;
 - e. Loss of interest; and
 - f. Such further and other damages as may be proven at the trial of this action.

Oppression

38. Further, Faissal as the sole director of Mclvor, as a director of 171 Corp, and as a director of various subsidiaries, partnerships, and affiliated corporations, breached the duty of care owed to his respective shareholders, and the beneficial owners thereof, including Mahmoud. Faissal did so by failing to act in accordance with the best interests of the

beneficial owners thereof, and by failing to exercise the care, diligence and skill of a reasonably prudent person in Faissal's position.

39. Mahmoud states that Faissal in his capacity as director of the Mclvor and 171 Corp, breached his fiduciary obligations owed to the Plaintiff and acted in a manner which is prejudicial to, or unfairly disregards the interests of, or is oppressive to the Plaintiff, the particulars of which include:

- a. Secretly and imprudently advancing and stripping the equity of all, or substantively all, of the assets of 171 Corp, to related companies operated or controlled by Faissal, some of which are other Defendants herein, without adequate or any security, without any written documentation, and without the knowledge, consent or approval of the Plaintiff;
- b. Improperly transferring amounts between shareholder loan accounts in such a way as to misrepresent amounts due and owing to the Plaintiff;
- c. Inappropriately withdrawing excessive amounts in management fees, salary, bonuses, benefits and other remuneration without knowledge, consent and approval of the Plaintiff, the particulars of which are still being discovered;
- d. Registering the Faissal Mortgage as against the DeWinton Lands and several other properties (as set out below), when the Faissal Mortgage was never funded, and further or in the alternative, for the sole purpose of attempting to strip the equity of the real property owned by one or more the Defendants;
- e. Failing to follow generally accepted accounting principles and practices; and
- f. Such further and other particulars of oppression or breach of the various obligations as may be proven at the trial of this action,

(collectively, the "Oppressive Actions").

40. The Plaintiff specifically pleads and relies on section 242 of the *Business Corporations Act*, RSA 2000, c B-9.

41. As a result of the Oppressive Action, and other wrongful acts set out herein, the Plaintiff has suffered and will continue to suffer damages and irreparable harm, particulars of which include, *inter alia* the following:

- a. Loss of the value of the DeWinton Lands;
- b. Loss of business opportunity, including the ability to develop the DeWinton Lands and the neighbouring parcels of land purchased by Mahmoud and his son;
- c. Loss of share value;

- d. Diminution of share value;
 - e. Loss of investment opportunity;
 - f. Loss of interest; and
 - g. Such further and other damages as may be proven at the trial of this action.
42. As a result of the foregoing, the corporate veil should be pierced and liability should be imposed on the director, Faissal, personally, for the wrongful acts of Mclvor.

Conversion

43. By means of the DeWinton Lands Scheme, Faissal has converted Mahmoud's interest in the DeWinton Lands for his own use by causing mortgages to be registered against the DeWinton Lands via Mclvor, and thereby depriving Mahmoud of the benefit of his interest in the DeWinton Lands and the business opportunities associated with the DeWinton Lands.

Unjust Enrichment

44. Further, and without any juristic reason, the Defendants have received the benefit of the proceeds of the DeWinton Lands Scheme to the detriment of the Plaintiff. The Plaintiff seeks a declaration of a constructive trust or restitution and damages as a result of such unjust enrichment. The quantum of such damages is no less than half the fair market value of the DeWinton Lands.
45. The Defendants are the constructive trustees of any and all funds, property, or other benefits any or all of them received, either directly or indirectly, from the DeWinton Lands Scheme and the Oppressive Actions, set out herein and therefore hold any such funds, property or other benefits in trust for the benefit of the Plaintiff to the extent of his interest. To the extent that any of the Defendants have dissipated any of the funds, property, or other benefits so held on behalf of the Plaintiff, they are in breach of trust and liable to account for and make restitution to the Plaintiff arising from any such breach of trust.
46. Without limiting the generality of the foregoing, the Plaintiff claims the right to a constructive trust over the following real property acquired or improved, directly or indirectly, from proceeds derived from the DeWinton Lands Scheme and the Oppressive Actions, or to the proceeds from the sale of any of the real property, including:
- a. The property owned solely by Faissal in Cochrane, Alberta and legally described as:

PLAN 7410941
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK SAME

AREA: 8.13 HECTARES (20.1 ACRES) MORE OR LESS

This property was purchased by Faissal from a third party for \$2,250,000.00 cash, pursuant to a transfer of land executed 11 August 2016 and registered as instrument number 161 210 265.

The Faissal Mortgage was registered as against this property.

- b. The property owned solely by Faissal in Cochrane, Alberta and legally described as:

PLAN 7410941
 LOT 3
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK SAME
 AREA: 7.6 HECTARES (18.77 ACRES) MORE OR LESS

This property was transferred to Faissal from McIvor for *nil* consideration pursuant to a transfer of land executed 12 July 2016, registered as instrument number 161 176 636.

The Faissal Mortgage was registered as against this property.

- c. The property owned solely by Faissal in Cochrane, Alberta and legally described as:

PLAN M.D. OF ROCKY VIEW 7410941
 LOT TWO (2)
 CONTAINING EIGHTEEN AND SIXTEEN HUNDREDTHS (18.16) ACRES
 MORE OR LESS
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK SAME

The Faissal Mortgage was registered as against this property.

- d. The property owned solely by Faissal in Foothills County, Alberta and legally described as:

PLAN 731581
 BLOCK 6
 CONTAINING 7.93 HECTARES (19.6 ACRES) MORE OR LESS
 EXCEPTING THEREOUT:

	HECTARES	ACRES	MORE OR LESS
A) PLAN 9913138 SUBDIVISION	1.84	4.55	

EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK SAME

The Faissal Mortgage was registered as against this property.

- e. The property owned solely by Faissal municipally described as 52-26534 Township Road 384, Red Deer County, Alberta and legally described as:

PLAN 0120803
BLOCK 3
LOT 2A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.13 HECTARES (2.79 ACRES) MORE OR LESS

This property is the primary residence of Faissal and is the property-managed and constructed by Mahmoud, and for which Mahmoud accepted 50% equity in the DeWinton Lands as partial payment for his services and investment related to the development.

- f. The property owned solely by Faissal municipally described as 243190 Rainbow Road, Chestermere, Alberta and legally described as:

MERIDIAN 4 RANGE 28 TOWNSHIP 24
SECTION 22
ALL THAT PORTION OF THE NORTH WEST QUARTER
LYING TO THE SOUTH OF PLAN 7510158, TO THE
WEST OF BLOCK 3, PLAN 2078 JK, AND TO THE NORTH
OF THE WESTERLY PRODUCTION OF THE SOUTH BOUNDARY
OF BLOCK 3, PLAN 2078 J.K.,
CONTAINING 8.09 HECTARES (20 ACRES) MORE OR LESS
EXCEPTING THEREOUT:
A) PLAN NUMBER HECTARES (ACRES) MORE OR LESS
SUBDIVISION 9012376 2.03 (5.01)

EXCEPTING THEREOUT ALL MINES AND MINERALS

This property was purchased by Faissal for \$2.05 million pursuant to a transfer of land registered at land titles as instrument number 151 010 609 on 14 January 2015.

The Faissal Mortgage was registered as against this property.

- g. The property owned solely by 985 Corp in Drayton Valley, Alberta and legally described as:

PLAN 0721291
BLOCK 102
LOT 14
EXCEPTING THEREOUT ALL MINES AND MINERALS

- h. The property owned solely by MDM Corp in Red Deer, Alberta and legally described as:

PLAN 2223KS
BLOCK 1
LOT 4A
EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.291 HECTARES (0.72 ACRES) MORE OR LESS

This property was purchased by MDM Corp. for \$1.1 million from a third party pursuant to a transfer of land registered at land titles as instrument number 162 262 370 on 21 September 2016.

(collectively, the "Real Property").

47. The Real Property was purchased by Faissal, directly or through closely held corporations including the Defendants, with some or all the funds advanced from the TD Mortgage, and/or the RBC Mortgage on the DeWinton Lands.
48. The Plaintiff claims that the Real Property set out above was acquired, improved, and mortgages were serviced by, funds paid by Faissal or one of the Corporate Defendants.
49. The Plaintiff claims to be entitled to a proprietary interest in all assets and property, including the Real Property set out above, currently in the possession of one or more of the Defendants. This claim and property right arises by virtue of constructive trust, resulting trust, the law of tracing or any of these concepts.
50. The Plaintiff expressly claims an ownership interest in the Real Property.
51. The Plaintiff also claims rights to a constructive trust over any personal property acquired directly or indirectly from proceeds derived from the DeWinton Lands Scheme and the Oppressive Actions, and located anywhere in Canada or to the proceeds from the sale of any of the personal property, including any property or equipment acquired by FMPC in relation to its operations as a dental office.

Conspiracy

52. Further, or in the alternative, Faissal and the other Defendants, together or each individually, acted pursuant to a common design, the predominant purpose of which was to cause harm to the Plaintiff. The Plaintiff has suffered loss and damage as a result in an amount to be proven at the trial of this action.
53. Each of Faissal and the Corporate Defendants unlawfully conspired to carry out the DeWinton Lands Scheme and the Oppressive Actions, for the predominate purpose of causing injury to the Plaintiff and benefit themselves, which resulted in the Plaintiff suffering loss and damage. In so doing, the Defendants acted jointly knowing that injury to the Plaintiff was likely to occur and that the means being used to carry out the DeWinton Lands Scheme and the Oppressive Actions, were unlawful.
54. Alternatively, Faissal and the other defendants together with other unknown parties, acted jointly, their conduct was directed at the Plaintiff, and they knew or ought to have known that the Plaintiff would suffer harm as a result of these actions.

55. In doing any of the foregoing activities and by participating in the DeWinton Lands Scheme and the Oppressive Actions, Faissal has misused corporate authority and abused his power as an officer and director of the Corporate Defendants and 171 Corp. In doing so, Faissal breached his obligation to manage the Plaintiff's funds and instead acted in his own best interest and for his own benefit or the benefit of the other Defendants.

Knowing Assistance / Knowing Receipt

56. The Corporate Defendants, and each of them, knew or were reckless or willfully blind to the fact that Faissal was acting unlawfully and in breach of trust and in breach of his fiduciary duties to the Plaintiff and 171 Corp in orchestrating the DeWinton Lands Scheme and other actions set out herein against the Plaintiff. The Corporate Defendants received and accepted the proceeds arising from this scheme when each knew or ought to have known that such proceeds arose from, and were made to each of them, in breach of the duties owed by Faissal to the Plaintiff and 171 Corp.
57. Further, or in the alternative, the corporate Defendants ought to have known that receipt and acceptance of the proceeds from the wrongful acts constituted the knowing receipt of the proceeds of unlawful conduct or were generated in breach of the fiduciary obligations owed by Faissal to the Plaintiff. As a result, the Defendants hold any proceeds received by the Defendants (whether directly or indirectly) as a result of the actions of Faissal as constructive trustees for the Plaintiff.

Waiver of Tort

58. In light of the wrongful and unlawful conduct of the Defendants, this is an appropriate case under which the Plaintiff may elect to waive compensation as a remedy and receive the disgorgement of any gains received by the Defendants as a result of their misconduct, along with an accounting of any profits received by the Defendants.
59. The Plaintiff claims return of those funds in whatever form to which they can be traced, and damages to the extent such funds have been dissipated.

Tracing and Preservation Orders

60. As a result of the Defendants' wrongful conduct as set out above, the Plaintiff is entitled to trace all amounts received or disbursed by the Defendants, directly or indirectly, as part of or as a result of the the DeWinton Lands Scheme and the Oppressive Actions, including the Real Property, and any other assets as part of the constructive trust claim, and the right to recover same (the "Traced Assets").
61. The Plaintiff is also entitled to an accounting of the monies belonging to the Plaintiff that have come into the possession of any of the Defendants, and to an accounting of any

benefit received by any of the Defendants as a result of the DeWinton Lands Scheme and the Oppressive Actions.

62. The Plaintiff is also entitled to interim and permanent injunctions restraining the Defendants from disposing of any of their assets wherever located and an accounting of all of these Defendants' assets, effects, and property, including any trust account or jointly held assets, any improper disposition thereof, and all money had or received by the Defendants or anyone on their behalf.
63. The Plaintiff is also entitled to a preservation order preventing the Defendants from diminishing the value of any of their assets, wherever located, and requiring the Defendants to take all necessary steps to preserve the value of any such property along with any evidence in their power, possession, or control relating to the matters at issue in this Action.
64. The Defendants are liable to make restitution to the Plaintiff and to disgorge any benefits received from the DeWinton Lands Scheme and the Oppressive Actions, to the Plaintiff.

Remedy sought:

65. The Plaintiff claims jointly and severally against the Defendants:
 - a. Damages in the amount of \$3,000,000.00 or such further and other amount as may be proven at trial;
 - b. A Declaration that the Caveat is valid and the Plaintiff is the beneficial owner of at least one half the DeWinton Lands, or alternatively has a valid and subsisting beneficial interest in, or enforceable charge, or equitable mortgage in relation to the DeWinton Lands, with a corresponding Order directing that the Plaintiff be at least 50% owner of the DeWinton Lands;
 - c. A Declaration that the Faissal Mortgage is invalid and was wrongfully registered, with a corresponding Order discharging the Faissal Mortgage from the DeWinton Lands and the corresponding Real Property;
 - d. Further or in the alternative, a Declaration that the Faissal Mortgage was not funded and a corresponding Order discharging the Faissal Mortgage;
 - e. Further, or in the alternative, an Order postponing the Faissal Mortgage to the Caveat;
 - f. Further, or in the alternative, an Order to reduce the amount secured by the Faissal Mortgage to the reflect the amount advanced at the time the Caveat was registered;
 - g. An accounting of all assets, effects and property of the Defendants, including interest in any accounts and of all money had or received by the Defendants, or any person on their behalf and all dealings and transactions between the Defendants;

- h. A full accounting from Faissal and Mclvor, include the dealings with the other Defendants or other corporations or individuals, their subsidiaries and affiliates;
- i. An Order that Faissal and Mclvor disgorge all profits made and all assets acquired as a result of their breaches of trust and breaches of fiduciary duty;
- j. A declaration that the Plaintiff is an owner, and holder of a proprietary interest, in each of parcels identified as the Real Property above;
- k. A declaration that the Plaintiff is entitled to trace all amounts wrongfully received or disbursed by the Defendants in, to and through any financial institution, accounts or deposit facilities in the name of the Defendants and in, to or through any assets purchased by the Defendants with the Plaintiff's funds and to recover same;
- l. An Order directing rectification of the registers or other records of all corporations in which the Plaintiff has proved his interest and directing compensation to the Plaintiff under section 244 of the *Business Corporations Act*;
- m. A declaration that the corporate veil of the corporate Defendants be pierced so that judgment may be granted against Faissal personally;
- n. An Order to compensate the Plaintiff, as a complainant under Part 19 of the *Business Corporations Act*, and such further and other relief to which the Plaintiff is entitled, as determined by the Court;
- o. An Order, pursuant to section 118(5) and 118(6)(a) of the *Business Corporations Act*, directing the repayment and restoration of Mahmoud and 171 Corp's funds and property;
- p. An Order pursuant to section 240 and 242(3)(g) of the *Business Corporations Act*, granting leave to Mahmoud to commence a derivative action in the name of 171 Corp, if necessary and a corresponding Order, pursuant to section 241 of the *Business Corporations Act*, (a) authorizing Mahmoud to control the conduct of this Action on behalf of 171 Corp (b) for the Court's directions regarding the conduct of this Action, and (c) requiring that any amount adjudged payable by the Defendants in this Action shall be paid, in whole or in part, to Mahmoud;
- q. An interim and permanent injunction restraining the Defendants from disposing of any of their assets, wherever located, including those held by any other person on their behalf;
- r. A preservation order restraining the Defendants from any conduct that would diminish the value of any of their assets, wherever located, and requiring the Defendants to take all necessary steps to preserve the value of any such property along with any evidence in their power, possession, or control relating got the matters at issue in this Action;
- s. An order appointing a receiver or receiver-manager over the assets and undertakings of Faissal and Mclvor on such terms as this Court may deem just;

- t. Damages for breach of trust and breach of fiduciary duty in an amount to be proven at trial;
- u. Special damages arising out of the detection, investigation and quantification, and recovery of the losses, and consequential losses suffered by the Plaintiff in an amount to be proven at trial;
- v. Punitive and exemplary damages in the amount of \$250,000.00 against Faissal;
- w. Pre-judgment and post-judgment interest in accordance with the Plaintiff's costs of funds, or alternatively, the *Judgment Interest Act*;
- x. Costs of this action on a solicitor and client basis; and
- y. Such further and other relief as this Honourable Court deems just.

NOTICE TO THE DEFENDANTS

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

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at 601 – 5th Street, Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff against you.



COURT FILE NUMBER 2001-09035

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF(S) MAHMOUD MOHAMAD

DEFENDANT(S) FAISSAL MOUHAMAD, MCIVOR DEVELOPMENTS LTD.,
MICHAEL DAVE MANAGEMENT LTD., FAISSAL
MOUHAMAD PROFESSIONAL CORPORATION and 985842
ALBERTA LTD.

DOCUMENT **STATEMENT OF DEFENCE OF FAISSAL
MOUHAMAD, MCIVOR DEVELOPMENTS LTD.,
MICHAEL DAVE MANAGEMENT LTD., FAISSAL
MOUHAMAD PROFESSIONAL CORPORATION and
985842 ALBERTA LTD.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
WARREN SINCLAIR LLP
600, 4911 - 51 STREET
RED DEER, AB T4N 6V4
ATTENTION: MATTHEW R. PARK
PHONE: (403) 343-3320
FAX: (403) 343-6069
FILE NUMBER: 117613/MP

THIS IS EXHIBIT " C " referred to
in the Affidavit of Faissal Mohamad
sworn before me this 23
day of August, A.D. 2022


A Commissioner for Oaths in and for Alberta

00698476-1

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

Statement of facts relied on:

Admissions:

1. Except as expressly admitted herein, each of the Defendants deny each and every allegation of fact made in the Amended Statement of Claim.
2. Unless otherwise indicated, capitalized terms used in this pleading shall have the meaning given to them in the Amended Statement of Claim.
3. Each of the Defendants admit the allegations made at paragraphs 1-6, inclusive, 21, 23, 25 and 26 of the Amended Statement of Claim.
4. Each of the Defendants admit that:
 - a) 171 Corp is an Alberta corporation created by Faissal and Mahmoud on or about November 7, 2012.
 - b) Faissal and Mahmoud are both directors of 171 Corp.
 - c) Faissal holds 51% of the issued voting shares of 171 Corp, while Mahmoud holds the balance.
 - d) On July 20, 2020, Mahmoud caused a caveat to be registered against the Dewinton Lands as registration number 201 128 484.
 - e) The Faissal Mortgage has been registered against title to the properties identified at paragraph 46 of the Amended Statement of Claim.
 - f) On or about April 21, 2015, Faissal executed a transfer of land on behalf of 171 Corp transferring the Dewinton Lands from 171 Corp to McIvor, which transfer of

land was registered at the Land Titles Office on April 29, 2015 as registration number 151 108 411.

Introductory Matters:

5. As noted in the Amended Statement of Claim, Faissal and Mahmoud are brothers.
6. Both Faissal and Mahmoud were born in Syria.
7. In or about 1995, Mahmoud immigrated to Canada. Faissal immigrated to Canada within a year or so thereafter.
8. Faissal is trained as a dentist. He obtained his dental degree in Syria and practiced in that country and elsewhere prior to immigrating to Canada, where he has continued to practice dentistry.
9. Mahmoud is a trained medical doctor. He obtained his medical degree in Syria and practiced medicine in that country and in Lebanon prior to immigrating to Canada. Despite a number of attempts to do so, Mahmoud has been unable to obtain a licence to practice medicine in Canada and, from in or about 1995 to in or about 2010, relied on government assistance and employment earned as a labourer to fund his living expenses.
10. In or about 2002, Mahmoud received proceeds from an insurance claim settlement, which he used to assist in the purchase several residential rental properties (the “**Revenue Properties**”).
11. In or about 2010, Mahmoud encountered significant financial difficulties, which resulted in foreclosure actions being initiated in respect of some or all of the Revenue Properties.
12. At that time, Faissal was in the process of completing of his primary residence, located in Red Deer County, Alberta and referred to at paragraphs 15 (b) and 46 (e) of the Amended Statement of Claim (the “**Red Deer County Property**”).

13. In an effort to aid Mahmoud financially, Faissal offered to pay Mahmoud to assist him with the construction of the Red Deer County Property.
14. No formal arrangements were entered into between Faissal and Mahmoud in that regard. Rather, Faissal and Mahmoud agreed that Mahmoud would assist Faissal from time-to-time as required and requested by Faissal and that Faissal would compensate Mahmoud for his assistance as requested by Mahmoud.
15. The financial assistance provided by Faissal included paying tuition for Mahmoud's children attending private school and university and travel expenses for Mahmoud's family.
16. Essentially, Mahmoud was dependent on Faissal for financial support. In fact, at all times material to this action, Mahmoud has relied on Faissal to support him financially.
17. In or about late 2010, Faissal purchased a parcel of land in Chestermere, Alberta, which he intended to develop into a 64-lot residential subdivision (the "Initial Chestermere Lands").
18. At the time of Faissal's purchase of the Initial Chestermere Lands, Mahmoud was assisting him with the construction of the Red Deer County Property and was regularly commuting from his home in Calgary to assist with that work.
19. In a further effort to aid Mahmoud financially, and to provide him with work closer to home, Faissal offered to pay Mahmoud to assist him in the development of the Initial Chestermere Lands, which offer Mahmoud accepted.
20. As was the case with the Red Deer County Property, there were no formal arrangements between Faissal and Mahmoud regarding the work Mahmoud was to undertake in connection with the Initial Chestermere Lands. Rather, Faissal and Mahmoud agreed that Mahmoud would assist Faissal from time-to-time as required and requested by Faissal and that Faissal would compensate Mahmoud for his assistance as requested by Mouhamad.

The Acquisition of the Dewinton Lands and the Formation of 171 Corp:

21. Faissal approached Paragon Capital Corporation Ltd. ("Paragon") to provide financial assistance with respect to the development of the Initial Chestermere Lands. At around this time, Faissal came to learn that Paragon was the registered owner of the Dewinton Lands, having taken title to that property in the course of foreclosure proceedings.
22. Faissal gave instructions to Mahmoud to make an offer to purchase the Dewinton Lands on Faissal's behalf or on behalf of his nominee, which Mahmoud did.
23. In making the said offer to purchase, Mahmoud was acting only as Faissal's representative or agent or as the agent or representative of Faissal's nominee.
24. Although the offer made by Mahmoud to purchase the Dewinton Lands described him as the buyer, Faissal intended that 985 Corp. would hold title to the Dewinton Lands.
25. The deposits made to purchase the Dewinton Lands, which totalled \$200,000.00, were paid by 985 Corp. Further, 985 Corp. applied for financing from Paragon to assist in the purchase of the Dewinton Lands, which application was accepted by Paragon and which resulted in Paragon issuing a commitment letter to 985 Corp.
26. At all times, Mahmoud understood that Faissal intended that 985 Corp. would hold title to the Dewinton Lands.
27. On or about November 7, 2012, just prior to the date on which the purchase of the Dewinton Lands was scheduled to close, Mahmoud approached Faissal and requested that he be permitted to acquire an interest in 985 Corp.
28. While Faissal declined to allow Mahmoud to acquire an interest in 985 Corp., he suggested to Mahmoud that a new corporation be formed, namely 171 Corp., which would hold title to the Dewinton Lands and in which both Faissal and Mahmoud would hold shares.

29. Faissal's agreement to permit 171 Corp to take title to the Dewinton Lands was contingent upon Mahmoud agreeing to contribute equally to the cost of acquiring and carrying the Dewinton Lands and upon Mahmoud setting his financial affairs in order.
30. Given the state of Mahmoud's financial affairs, it was agreed by Faissal and Mahmoud that Faissal would hold the controlling interest in 171 Corp.
31. 171 Corp's constating documents were prepared by George Roszler, a Calgary-based lawyer, who was specifically instructed by Faissal and Mahmoud that 51% of 171 Corp's voting shares be issued to Faissal.
32. At all times, Mahmoud understood and agreed that Faissal would hold the controlling interest in 171 Corp.
33. In specific reply to paragraph 15 of the Amended Statement of Claim:
- a) The Defendants each admit that Mahmoud and Faissal agreed that they would contribute equally to the purchase price of the Dewinton Lands.
 - b) At no time did Faissal and Mahmoud agree that Mahmoud's contribution to the purchase price payable for the Dewinton Lands would be paid by Faissal in partial satisfaction of an investment liability owed by Faissal to Mahmoud in respect of the Red Deer County Property.
 - c) At no time has Faissal owed an investment liability of any sort to Mahmoud, in particular in relation to the Red Deer County Property. The arrangements between Faissal and Mahmoud in respect of the Red Deer County Property are set out at paragraphs 13 and 14 herein and Mahmoud has been fully compensated for any services provided by him in furtherance of those arrangements.
 - d) The Defendants each admit that the approximate sum of \$900,000.00 was advanced by Paragon to 171 Corp to help fund the acquisition of the Dewinton Lands.

- e) The Defendants each deny that Faissal and Mahmoud agreed that Faissal would be solely responsible for servicing the Paragon Mortgage and for payment of the property taxes assessed against the Dewinton Lands. The arrangements between Faissal and Mahmoud regarding the Paragon Mortgage and the property taxes were as set out at paragraph 29 herein.

34. In specific reply to paragraph 16 of the Amended Statement of Claim:

- a) Each of the Defendants admit that the initial intention was to hold the Dewinton Lands as a passive investment.
- b) Each of the Defendants admit that in or around January, 2013, 818 Studio Ltd. was retained to create a land development proposal. The cost of this proposal was paid by McIvor.
- c) Each of the Defendants admit that in or about April, 2014, Acumen Real Estate Valuations Inc. was engaged to prepare an appraisal of the Dewinton Lands (the “**Acumen Appraisal**”). However, the Defendants each deny that this appraisal was obtained as part of a plan by Faissal and Mahmoud to develop the Dewinton Lands. Rather, the appraisal was commissioned in connection with the transfer of the Dewinton Lands to McIvor, as particularized below. The cost of this appraisal was paid by McIvor.
- d) Each of the Defendants admit that Faissal and Mahmoud’s son have acquired real property in the general vicinity of the Dewinton Lands. However, each of the Defendants deny that these properties were acquired with a view of developing them concurrently or in connection with the Dewinton Lands. Rather, the property acquired by Faissal is a residential acreage and was purchased as a revenue property. Mahmoud’s son’s principal residence is located on the parcel he acquired in the vicinity of the Dewinton Lands (the “**Mohamad Dewinton Property**”).

Transfer of the Dewinton Lands to McIvor:

35. As at 2014, and despite the arrangements referred to at paragraph 29 herein, Mahmoud had contributed nothing financially toward the acquisition of the Dewinton Lands, nor had he contributed anything toward the costs associated with carrying that property. In particular:

- a) Mahmoud failed to contribute anything toward the purchase price payable for the Dewinton Lands. Rather, the balance of the purchase price was paid by 171 Corp through financing provided to it by 985 Corp (the “985 Financing”), the repayment of which was secured by a promissory note given by 171 Corp to 985 Corp.
- b) Mahmoud failed to contribute anything in payment of the Paragon Mortgage, including the substantial fees charged by Paragon to renew that mortgage.
- c) Mahmoud failed to contribute anything in payment of the property taxes payable in respect of the Dewinton Lands.

36. In light of Mahmoud’s ongoing financial difficulties, and inability or unwillingness to meet his financial obligations associated with the Dewinton Lands, Faissal and Mahmoud agreed to end any plans made by them to develop the Dewinton Lands jointly, through 171 Corp or otherwise, and further agreed that 171 Corp would transfer the Dewinton Lands to McIvor, a corporation in which Mahmoud held non-voting shares until April, 2020.

37. To that end, Faissal approached Canadian Western Bank (“CWB”) concerning obtaining financing to assist McIvor in purchasing the Dewinton Lands. The Acumen Appraisal was commissioned as part of McIvor’s application for that financing.

38. At all times, Mahmoud was aware of Faissal and McIvor’s efforts to obtain financing from CWB and was in fact involved in communications with CWB regarding that financing.

39. Efforts to obtain financing from CWB ultimately failed and attempts were made by McIvor to secure financing from other sources. At all times, Mahmoud was aware of and consented to McIvor's efforts in that regard.
40. Eventually, McIvor was able to secure financing from Toronto Dominion Bank ("TD"), particulars of which are set out at paragraph 21 of the Amended Statement of Claim.
41. At all times, Mahmoud was aware that McIvor had obtained the TD Mortgage. Mahmoud was in fact involved in the efforts made by McIvor to acquire that mortgage.
42. The financing obtained by McIvor by McIvor from TD was used by McIvor to purchase the Dewinton Lands from 171 Corp for the purchase price identified in the transfer of land referenced at paragraph 19 of the Amended Statement of Claim and to fund the payment of expenses incurred by McIvor in carrying the Dewinton Lands.
43. In specific reply to paragraph 46 of the Amended Statement of Claim, none of the funds obtained by McIvor by way of the credit facilities extended to it by TD were used to improve or acquire the properties identified at that paragraph.
44. The net proceeds from the sale of the Dewinton Lands were used by 171 Corp to pay out the Paragon Mortgage and the 985 Financing.
45. At no time has Mahmoud contributed to the cost of carrying the TD Mortgage.

The RBC Mortgage:

46. Each of the Defendants admit that on or about August 12, 2016, McIvor obtained financing from Royal Bank of Canada ("RBC"), the repayment of which was secured by the RBC Mortgage.

47. Notwithstanding that the registered principal amount of the RBC Mortgage is \$6,000,000.00, RBC has only advanced the sum of \$2,500,000.00 to McIvor, all of which was used to repay the credit facilities secured by the TD Mortgage.
48. At no time were funds received by McIvor from RBC used to acquire or improve any of the properties referred to at paragraph 46 of the Amended Statement of Claim.
49. At all times, Mahmoud was aware of McIvor's efforts to secure the RBC financing and, at all times, was aware that this financing had in fact been secured.
50. McIvor is making efforts to secure financing to repay the RBC indebtedness. Prior to spring, 2020, Mahmoud, as a representative and agent of McIvor, was involved in those efforts.

Mahmoud's Fraud:

51. In the fall of 2019, Paradise McIvor Developments Ltd. ("**Paradise**"), which is a corporate entity controlled by Faissal, was engaged in negotiations to acquire a parcel of land located at or near Cochrane, Alberta (the "**Lee Land Property**"). Faissal charged Mahmoud with the task of carrying out those negotiations on Paradise's behalf.
52. In or about November, 2019, Mahmoud represented to Faissal that Paradise had succeeded in its efforts to acquire the Lee Land Property and that a \$200,000.00 deposit was required in connection with Paradise's purchase of that property (the "**Lee Land Deposit**").
53. On or about November 18, 2019, Paradise provided the Lee Land Deposit to Mahmoud for provision to the then-owner of the Lee Land Property.
54. In or about April, 2020, Faissal learned that the representation made to him by Mahmoud, as particularized at paragraph 52 herein, was false and that Mahmoud had misappropriated the Lee Land Deposit and had used those funds to help his son acquire the Mohamad Dewinton Property.

55. Given Mahmoud's fraud, Faissal directed Mahmoud to immediately cease involvement in any development work being undertaken by Faissal and his corporations and ceased supporting Mahmoud financially. At the time at which this occurred, Mahmoud had been more than fully compensated for work undertaken by him on behalf of Faissal and his corporations.
56. On the heels of the events described at paragraph 55 herein, Mahmoud has caused a caveat to be registered against title a number of lots comprising a redevelopment being undertaken by Paradise in Chestermere, Alberta, has caused the Caveat to be registered against title to the Dewinton Lands, has commenced this action and has caused a Certificate of *Lis Pendens* to be registered against title to the Dewinton Lands and against title to the properties identified at paragraph 46 of the Amended Statement of Claim (the "Plaintiff's CLP").

General Denials:

57. Given the foregoing, each of the Defendants deny:
- a) That Faissal owed the duties alleged at paragraphs 27, 28, 30, 31 and 38 of the Amended Statement of Claim.
 - b) In the alternative, to the extent that Faissal owed the said duties, or any one or combination of them, which is not admitted but specifically denied, each of the Defendants deny that Faissal breached those duties, as alleged or at all.
 - c) That Mahmoud was or is the beneficial owner of no less than 50% of the issued and outstanding shares of McIvor.
 - d) That Mahmoud holds a beneficial, or any, interest in the Dewinton Lands.
 - e) That McIvor and Faissal were trustees for Mahmoud and that they owed any of the duties alleged at paragraph 35 of the Amended Statement of Claim.

- f) In the alternative, to the extent that McIvor and Faissal, or either of them, were trustees for Mahmoud, which is not admitted but specifically denied, the Defendants each deny that either McIvor or Faissal breached any of their duties owed to Mahmoud in that regard.
- g) That Faissal has converted Mahmoud's interest in the Dewinton Lands to his own use and benefit, as alleged or at all.
- h) That any of them have been unjustly enriched, as alleged or at all.
- i) That any of them are constructive trustees, as alleged or at all.
- j) That Mahmoud is entitled to a constructive trust, as alleged or at all.
- k) That Mahmoud has an ownership interest in any of the properties identified at paragraph 46 of the Amended Statement of Claim.
- l) That any of them engaged in a conspiracy, as alleged or at all.
- m) That Mahmoud is entitled to a tracing order, an interim or permanent injunction, a preservation order or a restitution order.
- n) That it is appropriate for the corporate veil to be pierced.

58. The Defendants each deny that Mahmoud has suffered loss or damages, as alleged in the Amended Statement of Claim or at all.

59. In the alternative, to the extent that Mahmoud has suffered loss or damages, which is not admitted but specifically denied:

- a) The Defendants each deny that the loss or damages are as a result of any act or omission attributable to them.

- b) Mahmoud has failed to take any or reasonable measures to mitigate any loss or damages suffered.
- c) The loss or damages claimed by Mahmoud were not foreseeable and are too remote to be compensable.
- d) The loss or damages alleged are excessive and exaggerated.

60. Mahmoud's claims, or any one or combination of them, are barred by the passage of time. The Defendants each plead and reply upon the provisions of the *Limitations Act*, R.S.A. 2000, c. L-12.

Any matters that defeat the claim of the plaintiff(s):

61. The foregoing paragraphs are repeated and adopted herein to establish all matters that defeat the Plaintiff's claims.

Remedy sought:

62. Dismissal of the Plaintiff's claim.

63. An Order directing the Registrar of Land Titles to discharge the Caveat from title to the Dewinton Lands.

64. In the alternative, and pursuant to section 142 of the *Land Titles Act*, R.S.A. 2000, c. L-4, an order directing Mahmoud to post security in respect of the Caveat in such an amount or on such terms as the Court determines appropriate.

65. An order directing the Registrar of Land Titles to discharge the Plaintiff's CLP from title to the affected properties.

66. Costs of this action on a solicitor and his own client, full indemnity basis or on such other basis as the court deems just in the circumstances.

67. Such further and other relief as the Court deems fit to grant in the circumstances.

COURT FILE NUMBER 2001-09035

COURT COURT OF QUEEN'S BENCH OF ALBERTA

Aug 10 2022
C81148

JUDICIAL CENTRE CALGARY

PLAINTIFF MAHMOUD MOHAMAD

DEFENDANT FAISSAL MOUHAMAD, MCIVOR DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMA PROFESSIONAL CORPORATION and 985842 ALBERTA LTD.

DOCUMENT APPLICATION BY THE DEFENDANT MCIVOR DEVELOPMENT LTD.

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

WARREN SINCLAIR LLP
600, 4911 - 51 STREET
RED DEER, AB T4N 6V4
ATTENTION: MATTHEW R. PARK
PHONE: (403) 343-3320
FAX: (403) 343-6069
FILE NUMBER: 117613/MP

THIS IS EXHIBIT "D" referred to
in the Affidavit of Faissal Mouhamad
sworn before me this 23
day of August, A.D. 2022
A Commissioner for Oaths and for Alberta
Barrister and Solicitor
Matthew R. Park

NOTICE TO RESPONDENT(S)

This application is made against you. You are the Respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: Wednesday, September 7, 2022
Time: 10:00 a.m.
Where: Calgary Courts Centre, 601-5 Street S.W., Calgary, AB
Before Whom: Presiding Master in Chambers

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

Remedy claimed or sought:

1. The defendant McIvor Developments Ltd. (“**McIvor**”) seeks the following:
 - a) An order substantially similar in form to that which is attached as Schedule “A” hereto.
 - b) If necessary, an order validating service of this Application and any materials filed in connection therewith and/or abridging the time for service of the same.
 - c) Such further and other relief as the Court deems appropriate to grant in the circumstances.

Grounds for making this application:

2. The grounds upon which McIvor relies in making this application are as follows:
 - a) McIvor is the owner of real property located in the vicinity of Dewinton, Alberta (the “**Dewinton Property**”).
 - b) The Plaintiff has registered a caveat against title to the Dewinton Property (the “**Caveat**”).
 - c) Further, the Plaintiff has filed a Certificate of *Lis Pendens* in this action, which he has registered against title to the Dewinton Property (the “**CLP**”).
 - d) The Plaintiff has submitted a further Certificate of *Lis Pendens* to the Land Titles Office for registration, which is presently in the Pending Registration Que (the “**Pending CLP**”).

- e) McIvor has entered into an agreement to sell the Dewinton Property, the terms and conditions of which require the Caveat, the CLP and the Pending CLP to be discharged from title to that property.
- f) Such further and other grounds as counsel may advise.

Material or evidence to be relied on:

3. Faissal intends to rely upon the following materials:

- a) Affidavit sworn by Faissal Mouhamad on August 9, 2022.
- b) Such further and other materials as counsel may advise and the Court permit.

Applicable Acts and regulations:

4. *Alberta Rules of Court.*

Any irregularity complained of or objection relied on:

5. None.

How the application is proposed to be heard or considered:

6. Oral submissions by counsel at an application in Chambers.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable

notice of the material to the applicant.

SCHEDULE "A"

COURT FILE NUMBER 2001-09035

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF MAHMOUD MOHAMAD

DEFENDANT FAISSAL MOUHAMAD, MCIVOR DEVELOPMENTS LTD.,
MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD
PROFESSIONAL CORPORATION and 985842 ALBERTA LTD.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

WARREN SINCLAIR LLP
600, 4911-51 Street
Red Deer, AB T4N 6V4
ATTENTION: MATTHEW R. PARK
Phone: (403) 343-3320
Fax: (403) 343-6069
File Number: 117613/MP

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION AT WHICH ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF MASTER/JUDGE WHO MADE THIS ORDER:

ORDER

UPON THE APPLICATION of the defendant McIvor Developments Ltd. ("McIvor");
AND UPON REVIEWING the affidavit sworn by Faissal Mouhamad on August 9, 2022, **AND**
UPON HEARING from legal counsel to McIvor; **AND UPON NOTING** that McIvor is the
registered owner of real property more particularly described at paragraph 1 of this order (the
01150658-1

“Dewinton Property”); AND UPON NOTING that Faissal has entered into an agreement to sell the Dewinton Property to Samer Altalaj (“Altalaj”) on the terms and conditions set out in that agreement (the “Altalaj Purchase Agreement”); AND UPON:

- _____ no one appearing for the Plaintiff;
- _____ hearing from the Plaintiff; or
- _____ hearing from legal counsel to the Plaintiff

IT IS HEREBY ORDERED THAT:

1. The Registrar of Land Titles shall discharge the caveat registered as registration number 201 128 484 and the Certificate of *Lis Pendens* registered as registration number 201 139 847 from title to the following property:

MERIDIAN 4 RANGE 29 TOWNSHIP 21
SECTION 32
THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES NORTH EAST OF ROAD PLAN 8210125
CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	(ACRES) MORE OR LESS
ROAD	0210206	0.860	2.13
ROAD	0211040	3.66	9.04
SUBDIVISION	0211003	7.40	18.29

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

2. The Registrar of Land Titles shall remove the Certificate of *Lis Pendens* submitted to the Land Titles Office for registration as DRR Number D005MW6 (the “Pending CLP”) from the Pending Registration Que insofar as it relates to the Dewinton Property.
3. To the extent that the Pending CLP has been registered by the Land Titles Office as of the date on which this order is submitted to that office for registration, the

Registrar of Land Titles shall discharge the Pending CLP from title to the Dewinton Property.

4. The Registrar of Land Titles shall comply with this order notwithstanding section 191 (1) of the Alberta *Land Titles Act*.
5. The purchase price payable pursuant to the Altalaj Purchase Agreement shall not be amended without further order of this court, with any application for such order to be made with notice to the Plaintiff.
6. If the closing date provided for by the Altalaj Purchase Agreement is amended, McIvor shall provide notice of that amendment to the Plaintiff within 5 days from the date on which the amendment is made.
7. McIvor shall engage the law firm Warren Sinclair LLP to complete conveyancing of the Dewinton Property on his behalf.
8. Any deposits that are payable pursuant to the terms of the Altalaj Purchase Agreement and which have not been paid as of the date of this order shall be paid to and held in trust by Warren Sinclair LLP. To the extent that the transaction of purchase and sale provided for by the Altalaj Purchase Agreement does not close in circumstances resulting in a forfeiture of any deposits paid, such forfeited deposits shall be paid into court pending further order of the Court.
9. This order shall be held in trust by Warren Sinclair LLP, to be entered and submitted to the Land Titles Office for registration only upon:
 - a) Warren Sinclair LLP's receipt of the cash necessary to close the sale of the Dewinton Property to Altalaj; and

b) Warren Sinclair LLP's provision of a Statement of Adjustments and Statement of Funds Received and Disbursed to the Plaintiff.

10. To the extent that that the sale of the Dewinton Property to Altalaj does not close pursuant to the terms of the Altalaj Purchase Agreement, this order shall be of no force or effect.

11. This order is granted without prejudice to the Plaintiff's right to dispute the allegations made by the Defendants in any pleadings filed in Court of Queen's Bench of Alberta action numbers.

12. McIvor is awarded costs of this application in the amount of \$_____.

Master of the Court of Queen's Bench of Alberta

COURT FILE NUMBER 2001-09035

Aug 10 2022

COURT COURT OF QUEEN'S BENCH OF ALBERTA

C81148

JUDICIAL CENTRE CALGARY

PLAINTIFF MAHMOUD MOHAMAD

DEFENDANT FAISSAL MOUHAMAD, MCIVOR DEVELOPMENTS LTD.,
MICHAEL DAVE MANAGEMENT LTD., FAISSAL MOUHAMAD
PROFESSIONAL CORPORATION and 985842 ALBERTA LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

WARREN SINCLAIR LLP
600, 4911 – 51 STREET
RED DEER, AB T4N 6V4
ATTENTION: MATTHEW R. PARK
PHONE: (403) 343-3320
FAX: (403) 343-6069
FILE NUMBER: 117613/MP

AFFIDAVIT OF Faissal Mouhamad

Sworn on August 9, 2022

I, FAISSAL MOUHAMAD, of Red Deer County, in the Province of Alberta,
Businessman, MAKE OATH AND SAY AS FOLLOWS:

1. I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, in which case I verily believe the same to be true.
2. I am one of the defendants named in this action.

3. I am the sole director and voting shareholder of the defendants Michael Dave Management Ltd., McIvor Development Ltd. (“McIvor”), Faissal Mouhamad Professional Corporation (“Faissal PC”) and 985842 Alberta Ltd. (“985”).
4. McIvor is the registered owner of the following real property, located in the vicinity of Dewinton, Alberta:

MERIDIAN 4 RANGE 29 TOWNSHIP 21
SECTION 32
THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES NORTH EAST OF ROAD PLAN 8210125
CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	(ACRES) MORE OR LESS
ROAD	0210206	0.860	2.13
ROAD	0211040	3.66	9.04
SUBDIVISION	0211003	7.40	18.29

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

(the “Dewinton Property”).

5. Marked as Exhibit “A” and attached hereto is a Land Title Certificate for the Dewinton Property as of August 4, 2022. The registrations against title include:
 - a) A mortgage in favor of Royal Bank of Canada (the “RBC Mortgage”);
 - b) A mortgage in favor of Faissal PC and 985;
 - c) A caveat in favour of the Plaintiff (the “Caveat”); and
 - d) A Certificate of *Lis Pendens* in favor of the Plaintiff (the “CLP”).
6. In addition to the registrations mentioned above, there is a Certificate of *Lis Pendens* in favor of the Plaintiff in the Pending Registration Que at the Land Titles Office (the

“Pending CLP”).

7. McIvor has had the Dewinton Property listed for sale with Steve Seiler, a realtor with KDI Commercial Inc., since September 9, 2020. Throughout the listing, the listing price has been \$6,000,000.00.
8. Samer Altalaj has made an offer to purchase the Dewinton Property for \$4,275,000.00 (the **“Altalaj Offer”**). Marked as **Exhibit “B”** and attached hereto is a true copy of that offer.
9. McIvor has accepted the Altalaj Offer, subject to the condition identified in that offer, which relates to the removal of the Caveat and the CLP from title to the Dewinton Property.
10. Further, the Pending CLP must be discharged or removed from the Pending Registration Que at the Land Titles Office in order for McIvor to convey clear title to Mr. Altalaj.
11. The Altalaj Offer is the only offer that has been received to purchase the Dewinton Property since the listing began in September, 2020.
12. Assuming the purchase and sale transaction provided for by the Altalaj Offer closes, realty commissions will amount to \$127,500.00, plus GST. In that regard, marked as **Exhibit “C”** and attached hereto is a printout of email correspondence sent to me by Mr. Seiler on August 8, 2022.
13. The RBC Mortgage secures repayment of all of McIvor’s present and future indebtedness to Royal Bank of Canada (**“RBC”**). Marked as **Exhibit “D”** and attached hereto is a true copy of the RBC Mortgage.
14. At present, McIvor is indebted to RBC as follows:

- a) Revolving demand facility in the principal amount of \$2,500,000.00. In that regard, marked as **Exhibit "E"** and attached hereto is a true copy of RBC's offer dated August 2, 2016, which was accepted by McIvor on or about August 9, 2016.
 - b) Guarantee and Postponement of Claim in relation to all present and future indebtedness owed by Faissal PC to RBC (the "**McIvor Guarantee**"). Marked as **Exhibit "F"** and attached hereto is a true copy of the McIvor Guarantee.
15. The total indebtedness owed by McIvor to RBC was \$3,141,763.06 as of July 19, 2022. In that regard, marked as **Exhibit "G"** and attached hereto is a true copy of RBC's correspondence to McIvor dated July 19, 2022.
16. No payments have been made against the RBC Mortgage since July 19, 2022.
17. Given that this action is extant, McIvor proposes to pay the proceeds from the sale of the Dewinton Property into court, net of the amount owing under the RBC Mortgage, realty commissions and other typical closing costs.
18. I swear this affidavit in support of an application for an order for the relief claimed in the Application filed herewith.

SWORN before me at the City of Red Deer)
 in the Province of Alberta, this 9 day)
 of August, 2022)



A Commissioner for Oaths in and for
 Alberta

Matthew R. Park
 Barrister and Solicitor
 A Commissioner for Oaths
 in and for Alberta



FAISSAL MOUHAMAD



LAND TITLE CERTIFICATE

S
LINC 0030 234 033 SHORT LEGAL 4;29;21;32;SW TITLE NUMBER 151 108 411

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 29 TOWNSHIP 21 SECTION 32 THAT PORTION OF THE SOUTH WEST QUARTER WHICH LIES NORTH EAST OF ROAD PLAN 8210125 CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS EXCEPTING THEREOUT:

Table with 5 columns: PLAN, NUMBER, HECTARES, (ACRES), MORE OR LESS. Rows include ROAD 0210206, ROAD 0211040, and SUBDIVISION 0211003.

EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

THIS IS EXHIBIT "A" referred to in the Affidavit of Faissal Mohamed sworn before me this 9 day of August A.D. 2022

ESTATE: FEE SIMPLE MUNICIPALITY: FOOTHILLS COUNTY REFERENCE NUMBER: 121 300 022

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

151 108 411 29/04/2015 TRANSFER OF LAND \$1,700,000 \$1,700,000

OWNERS MCIVOR DEVELOPMENTS LTD. OF 101, 5018-45 STREET RED DEER ALBERTA T4N 1K9

Matthew R. Park Barrister and Solicitor A Commissioner for Oaths in and for Alberta

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER DATE (D/M/Y) PARTICULARS

781 067 977 04/05/1978 CAVEAT

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
151 108 411

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		RE : DEFERRED RESERVE CAVEATOR - THE CALGARY REGIONAL PLANNING COMMISSION.
001 131 891	17/05/2000	UTILITY RIGHT OF WAY GRANTEE - TELUS COMMUNICATIONS INC. AS TO PORTION OR PLAN:0010715 TAKES PRIORITY OF CAVEAT #991313501 REGISTERED ON 27TH OCTOBER, 1999
001 327 578	15/11/2000	CAVEAT RE : RIGHT OF WAY AGREEMENT CAVEATOR - ATCO GAS AND PIPELINES LTD. 909 11 AVE SW CALGARY ALBERTA T2R1L8
161 203 509	29/08/2016	MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 4943 ROSS STREET, 2ND FLOOR RED DEER ALBERTA T4N1X8 ORIGINAL PRINCIPAL AMOUNT: \$6,000,000
201 128 323	23/07/2020	MORTGAGE MORTGAGEE - FAISSAL MOUHAMAD PROFESSIONAL CORPORATION. MORTGAGEE - 985842 ALBERTA LTD. BOTH OF: C/O 7151-50 AVENUE RED DEER ALBERTA T4N4E4 ORIGINAL PRINCIPAL AMOUNT: \$6,500,000 SEE INSTRUMENT FOR INTEREST
201 128 484	23/07/2020	CAVEAT RE : BENEFICIAL OWNER CAVEATOR - MAHMOUD HUSEN MOHAMAD C/O ANDERSON JAMES MCCALL 300, 444 5 AVE SW CALGARY ALBERTA T2P2T8 AGENT - BRAD FINDLATER
201 139 847	11/08/2020	CERTIFICATE OF LIS PENDENS BY - MAHMOUD MOHAMAD SEE INSTRUMENT FOR INTEREST
221 097 848	11/05/2022	CAVEAT RE : UTILITY RIGHT OF WAY (CONTINUED)

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
 # 151 108 411

REGISTRATION
 NUMBER DATE (D/M/Y) PARTICULARS

 CAVEATOR - ATCO GAS AND PIPELINES LTD.
 909 11 AVE SW
 CALGARY
 ALBERTA T2R1L8

TOTAL INSTRUMENTS: 008

 PENDING REGISTRATION QUEUE

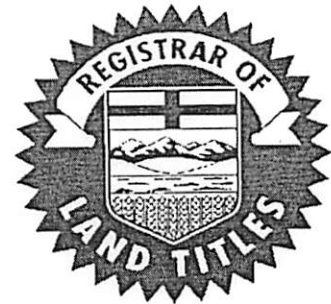
DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D003XJQ	02/05/2022	BLAIN LEGAL 403-235-3838 CUSTOMER FILE NUMBER: 21-8035 ALTALAJ	
001		CAVEAT	#151 108 411
D004MP8	13/05/2022	ATCO GAS 403-245-7845 CUSTOMER FILE NUMBER: A066532	
001		DISCHARGE	#151 108 411
D005MW6	07/06/2022	N/A CUSTOMER FILE NUMBER: MCIVOR	
001		CERTIFICATE OF LIS PENDENS	4;29;21;32;SW

TOTAL PENDING REGISTRATIONS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
 ACCURATE REPRODUCTION OF THE CERTIFICATE OF
 TITLE REPRESENTED HEREIN THIS 4 DAY OF AUGUST,
 2022 AT 02:56 P.M.

ORDER NUMBER: 45102826

CUSTOMER FILE NUMBER: 117613



END OF CERTIFICATE

(CONTINUED)

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

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

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

OFFER TO PURCHASE AND INTERIM AGREEMENT
(hereinafter referred to as the "Offer")

FROM: SAMER ALTALAJ AND/OR NOMINEE
1051 Everridge Drive SW
Calgary, AB T2Y 4S8
Attention: Samer Altalaj
(hereinafter referred to as the "Purchaser")

TO: MCIVOR DEVELOPMENTS LTD.
5171 50th Avenue
Red Deer, AB T4N 4E4
Attention: Faissal Mouhamad
(hereinafter referred to as the "Vendor")

THROUGH: KDI COMMERCIAL INC.
#250, 4723 1st Street SW
Calgary, Alberta T2G 4Y8
Attention: Steve Seiler, Senior Associate
(hereinafter referred to as the "Brokerage")

THIS IS EXHIBIT "B" referred to
 in the Affidavit of Faissal Mouhamad
 sworn before me this 9
 day of August, A.D. 2022
 Matthew R. Park
 Barrister and Solicitor
 A Commissioner for Oaths
 in and for Alberta

Subject to the terms and conditions herein, the Purchaser hereby offers to purchase from the Vendor 79.74 acres of the lands legally, municipally and otherwise described and outlined in as Schedule "A" attached (hereinafter referred to as the "Lands").

1. PURCHASE PRICE

The purchase price (hereinafter referred to as the "Purchase Price") paid by the Purchaser to the Vendor shall be the sum of [REDACTED] in lawful money of Canada to be paid to the Vendor in the following manner:

- (a) \$ [REDACTED] deposit (hereinafter referred to as the "First Deposit") by way of bank draft payable to the Vendor's lawyer, within FIVE (5) Business Days of mutual execution of this Agreement and is non-refundable upon payment;
- (b) \$ [REDACTED] further deposit (hereinafter referred to as the "Second Deposit") by way of bank draft payable to the Vendor's lawyer, within FIVE (5) Business Days upon the Purchaser receiving the Capacity Study of Foothills Water Treatment and Wastewater Treatment Plants and a Letter of Intent ("LOI") from Corix Utilities regarding the ability to provide Water and Wastewater opportunities or the Lands and is non-refundable upon payment;

Purchaser	Vendor
SA	FM

- (c) [REDACTED] further deposit (hereinafter referred to as the "Third Deposit") by way of bank draft payable to the Vendor's lawyer upon removal of all Purchaser's Conditions and is non-refundable upon payment;
- (d) [REDACTED] further deposit (hereinafter referred to as the "Fourth Deposit") by way of bank draft payable to the Vendor's lawyer within SIX (6) months of the payment of the Third Deposit and is non-refundable upon payment;
- (e) [REDACTED] the balance of the Purchase Price, plus or minus and subject to adjustments, shall be payable to the Vendor's Lawyer on or prior to the Closing Date.

The First Deposit, Second Deposit, Third Deposit and Fourth Deposit (collectively the "Deposits") shall be paid as set out above. Upon payment of the Deposits, they shall become non-refundable. In the event the transaction closes as contemplated herein, all of the Deposits shall be credited to the Purchaser and the Purchaser shall be given credit against the Purchase Price on the Closing Date in an amount equal to the Deposits.

The parties acknowledge that the Purchase Price is exclusive of GST and the Purchaser shall be responsible for any GST payable with respect to the purchase of the Purchased Lands. The Purchaser shall pay all amounts by certified cheque, back draft or solicitor's trust cheque. All deposits shall be delivered to the Vendor in accordance with the terms of the Agreement to appear as a credit in favour of the Purchaser on the statement of adjustments in partial satisfaction of the Purchase Price. A GST Indemnity certificate may be provided by the purchaser in place of paying GST.

2. CONDITIONS PRECEDENT

PURCHASER'S CONDITIONS: The obligation of the Purchaser to complete this transaction shall be subject to the following conditions being satisfied or waived by the Purchaser, namely:

- (a) the Purchaser shall have until 5:00 p.m. M.S.T. on March 31, 2022 to review any investigations, inspections, reviews, test and audits relating to the Lands which the Purchaser deems necessary or desirable in its sole discretion including without limitation, title to the Lands, Phase 1 and Phase 2 environmental reports, geotechnical reports, ground water reports, servicing plans, appraisal, servicing costs and compliance and applicable laws. These conditions are satisfactory to the Purchaser in its sole and absolute discretion.

Purchaser	Vendor
SA	CM


- (b) the Purchaser shall have until 5:00 p.m. M.S.T. on March 31, 2022 to receive a preliminary approval for further subdivision of the Lands. The costs to obtain a preliminary approval for further subdivision of the Lands shall be at the Purchaser's sole cost and expense. The Vendor gives permission to the Purchaser to have preliminary discussions with Foothills County or any other governmental authorities to receive preliminary approval for further subdivision of the Lands. Notwithstanding the foregoing or anything to the contrary herein, the Vendor shall not be required to sign a subdivision application for the benefit of the Purchaser. This condition is to the satisfaction of the Purchaser in its sole and absolute discretion.

VENDOR's CONDITIONS: The obligation of the Vendor to complete this transaction shall be subject to the following conditions being satisfied or waived by the Vendor, namely:

- (c) On or before 5:00 p.m. M.S.T. on March 31, 2022, the Vendor being able to obtain a discharge of the following registrations against the Lands:
 - (i) Registration # 201 128 484;
 - (ii) Registration # 201 139 847.

The Purchaser's Conditions have been included for the Purchaser's exclusive benefit and in the event the Purchaser's Conditions are not satisfied or waived by written notice delivered to the Vendor by the time set out above (the date such notice is provided is referred to as the "Condition Date"), then this Agreement shall be deemed to have been terminated and the Purchaser shall have no further interest or rights in respect of this Agreement or the Lands. The Vendor's Conditions have been included for the Vendor's exclusive benefit and in the event the Vendor's Conditions are not satisfied or waived by written notice delivered to the Purchaser by the time set out above (the date such notice is provided is referred to as the "Condition Date"), then this Agreement shall be deemed to have been terminated and the Purchaser shall have no further interest or rights in respect of this Agreement or the Lands.

In the event that after payment of any of the Deposits, the Purchaser is unable to satisfy or unable or unwilling to waive the Purchaser's Conditions in Paragraph 2 set out above, or the Purchaser is unable or unwilling to pay the balance of the Purchase Price on or before the Closing Date, or otherwise default under any provisions of this Agreement, then this Agreement shall, at the sole and exclusive option the Vendor, be deemed terminated and of no further force and effect and all right, title and interest of the Purchaser in this Agreement and the Lands shall thereupon be extinguished. In such event, the Deposits and any interest accrued thereon shall be conclusively deemed to be forfeited by the Purchaser to the Vendor as liquidated damages but not as a penalty and as a genuine pre-estimate

Purchaser	Vendor
SA	

of its damages in full and final settlement of any claims that the Vendor may have against the Purchaser.

3. CLOSING DATE

The date of closing of this transaction shall be November 10, 2022, or such sooner date as agreed to by the parties. Possession of the Lands shall be given to the Purchaser on the Closing Date.

4. INCLUSIONS IN PURCHASE PRICE

The Purchase Price includes all installations, engineering and environmental studies, development plans and appurtenances belonging to the Lands and owned by the Vendor and used in the operation or ownership thereof.

5. ADJUSTMENTS

Adjustments shall be made as of the Date of Closing with respect to all items of revenue and expense including but not limited to rents, taxes, utilities, principal, interest and other payments on any mortgage and other similar items.

6. ADDITIONAL TERMS

- a) The Vendor shall allow access to the property for the Purchaser to complete studies, testing and all phases of development on the Lands. At such time as the Purchaser has removed all of its Purchaser's Conditions contained in Paragraph 2, the Vendor shall sign consent to Foothills County or any other governmental authorities reasonably necessary to allow the Purchaser to pursue development approvals on the Lands. The cost of obtaining such approvals and the cost and expense of the Vendor or the Vendor's legal advisors reviewing such approvals shall be at the Purchaser's sole cost and expense.
- b) The Vendor shall cooperate with the Purchaser as reasonably required in connection with any due diligence which the Purchaser may deem necessary to carry out in respect to the Vendor's Lands including without limitation tests, inspections and investigations relating to environmental matters and conditions, soils, zoning and permitted uses, development permit matters, title matters, state of repair, elevations, contours and grades, taxes and engineering plans related to the development of the land, geotechnical testing and an environmental Phase 1 and 2 reports and other similar items in respect to the Lands.


All costs of such investigations shall be solely for the account of the Purchaser. The Purchaser and its employees, nominees, agents, consultants, engineers or contractors shall have the right at all reasonable times up to the Closing Date to enter upon the Lands and to make or carry out its due diligence as it sees

Purchaser	Vendor
SA	SM

for a period of one (1) year as warranties and representations between the Vendor and the Purchaser.

The Vendor warrants and represents that as of the date hereof:

- a) that the Vendor is a valid and subsisting corporation formed under the laws of the Province of Alberta and has legal capacity to own its property and assets, to enter into this Offer and to carry out the transactions contemplated hereby and the Vendor has taken all necessary partnership action to authorize same;
- b) that the Vendor has received no written notice that the Lands and its present use do not fully comply with all applicable laws, by-laws, regulations, codes, standards and agreements (including laws, bylaws, regulations, codes, standards and agreements relating to the environmental condition of the Lands) enacted or administered by, or entered into with, any governmental or other authority having jurisdiction;
- c) that the Vendor is not now (nor will be on the Date of Closing) a non-resident of Canada within the meaning of the Income Tax Act of Canada;
- d) that the Vendor has received no written notice from any authority or tenant advising of any repair or work which is necessary to the Lands or any part thereof;
- e) that the Vendor has not received any written notice of any expropriation or proposed expropriation of or similar proceedings affecting the Lands or any part hereof;
- f) that all municipal, school and other taxes and assessments, general and special affecting the Lands shall have been fully paid to the appropriate taxing authorities up to and including the Date of Closing, or will be adjusted as of the Date of Closing;
- g) that all public utility charges, all insurance premiums and all other costs and expenses relating to the Lands shall have been fully paid to the persons properly entitled thereto, up to and including the Date of Closing;
- h) that the operation of the Lands is not subject to any written service, operating, management, employment or other contract except the contracts to be delivered to the Purchaser under paragraph 7;
- i) that no person, other than pursuant to this Offer, will have as of the Date of Closing of sale, any right of first refusal, option or other right to purchase the Lands, now or in the future;

Purchaser	Vendor
SA	

fit, at its own cost and expense. The Purchaser shall repair any damage to the Lands occasioned by such inspections and test. Further, the Purchaser indemnifies the Vendor and agrees to hold the Vendor harmless in respect of any damages, costs, claims, actions, liability, fines or penalties suffered or incurred (collectively the "Damages"), by the Vendor directly or indirectly as a consequence of the Purchaser's due diligence, including any inspections and test; provided however, excluding any Damages resulting from pre-existing conditions.

- c) At such time as the Purchaser has removed all of its Purchaser's Conditions contained in Paragraph 2, the Vendor shall consent and co-operate with the Purchaser as reasonably required in connection to amending the use of the Land to a plan approved by the Purchaser in its sole discretion and shall also consent to the Purchaser applying for subdivision approval on the Lands.

All costs of such applications and inspections and all costs incurred by the Vendor or the Vendor's legal advisors reviewing such applications and inspections shall be solely for the account of the Purchaser. The Purchaser and its employees, nominees, agents, consultants, engineers or contractors shall have the right at all reasonable times up to the Closing Date to enter upon the Lands and to make or carry out its studies or assessments as it sees fit, at its own cost and expense.

- d) After the payment of the Fourth Deposit, the Vendor shall give its consent to the Purchaser and any municipal authorities to start development construction on the property including stripping and grading, utility servicing and geotechnical work, in accordance with the following:
- a. The Purchaser must receive and provide to the Vendor all development and other permits and approvals required to start development on the property. All costs of such permitting, approvals and construction shall be solely for the account of the Purchaser.
 - b. The Purchaser shall have provided to the Vendor confirmation that the Purchaser has course of construction insurance in amounts agreeable to by the Vendor acting reasonably, with such insurance listing the Vendor as first loss payable.
 - c. The Purchaser acknowledges and agrees that if the Purchaser fails to waive its Purchaser's Conditions contained in Paragraph 2, all improvements to the Lands, including without restriction, all fixtures and utility servicing, shall be absolutely forfeited to the Vendor with no compensation to the Purchaser.

7. REPRESENTATIONS AND WARRANTIES

The following representations and warranties of this Offer shall not be discharged by or merged in the Date of Closing of this transaction, but shall survive the same

Purchaser	Vendor
SA	CM

- j) from and after the waiver of the Purchaser's Conditions no leases for the Lands shall be amended or varied and no new lease shall be granted prior to the Date of Closing without the Purchaser's prior written approval, which approval shall not be unreasonably withheld; and


The Purchaser represents and warrants to the Vendor that:

- a) the Purchaser is and will be on the Closing Date validly registered as a registrant under Subdivision D of Division V of Part IX of the Excise Tax Act for the purposes of collecting and remitting GST;
- b) all corporate action necessary to authorize the execution of this Agreement and the fulfillment of its terms has been taken to enable the Purchaser to perform and observe its covenants and conditions;
- c) the Purchaser has not retained any agent who is entitled to any charge or interest in the Lands or to whom the Vendor is in any manner responsible or liable, other than the Brokerage;
- d) The Purchaser is purchasing the Lands based on as is basis and that there are no warranties, representations or conditions whatsoever in respect of the Lands or any part thereof (including with limitation to soil conditions) except as expressly provided herein, and notwithstanding that the Purchaser has received or will receive any reports or other materials from the Vendor and notwithstanding the contents of any such reports or other materials.

8. DELIVERY OF DOCUMENTS

Within five (5) Business Days of the execution of this Agreement, the Vendor covenants to deliver to the Purchaser, if in the Vendor's possession or control, the following:

- a. Copy of the most current real property report for the Property, if any;
- b. Copies of all agreements with, applications to, notices to and correspondence with federal, provincial or municipal governments or owners of adjoining lands relating to the Property or the zoning and development thereof, including without limitation, copies of any development agreements, development permits, building permits, other operating permits and licenses, and draft or pending development permit applications, if any, relating to the Property or the servicing of the Property, together with all reports, studies, briefs, drawings, consultant's reports and budgets relating thereto;

Purchaser	Vendor
SA	

- c. Copies of any and all leases, contracts, agreements and warranties relating to the Property;
- d. Copies of all documents pertaining to the environmental status of the Property, including any environmental reports completed;
- e. Copies of all documents pertaining to any biophysical assessment previously completed;
- f. Copies of any appraisals on the property;
- g. Copies of any physical condition reports for the Property;
- h. Copies of all geotechnical and other physical tests and information;
- i. Copies of realty tax bills with respect to the Property for the two most recent tax years, and the most current realty tax assessment together with details of all outstanding realty tax assessment appeals, if any, and material filed in support thereof;

9. COVENANTS

In connection with the inspection of the Lands and the investigations which the Purchaser may determine to undertake, the Vendor agrees to permit and to obtain the permission of any occupant or manager of the Lands to allow the Purchaser and its agents and consultants to enter upon the Lands for such purpose and to provide letters of authorization to obtain information relating thereto.

In order to fully apprise the Purchaser of the status of the Lands, the Vendor agrees to provide written authorization to all municipal, provincial, federal authorities having jurisdiction over the Lands to enable them to provide the Purchaser with such information, certificates, clearances and statements relating thereto (without physical inspection), as the Purchaser may in writing request.

10. CLOSING DOCUMENTATION

FIVE (5) BUSINESS DAYS prior to the Date of Closing, the Vendor's solicitor shall deliver to the Purchaser's solicitor, in trust:

- a) duly executed registrable Transfer or Transfers of Land conveying the Lands to the Purchaser free and clear of all liens, charges, encumbrances whatsoever save and except for Permitted Encumbrances, or otherwise with reasonably satisfactory undertakings of the Vendor's solicitor to discharge non-Permitted Encumbrances;

Purchaser	Vendor
JA	GM

- b) Certificate of Vendor certifying the Vendor is not a non-resident within the meaning of Section 116 of the *Income Tax Act* (Canada);
- c) a Vendor's Statement of Adjustment approved by the Vendor;
- d) originals of all documents as delivered in Paragraph 8;
- e) an assignment and assumption of all Permitted Encumbrances;
- f) the Vendor's undertaking to re-adjust on the Statement of Adjustments, if necessary, after the Date of Closing; and
- g) such other documents as the Purchaser or his solicitors may reasonably require to give effect to the intent of this Offer.

On or prior to the Date of Closing, the Purchaser shall execute and deliver to the Vendor the following:

- (h) assignment and assumption of Permitted Encumbrances referred to in Paragraph 10 (e) above;
- (i) a Certificate and Indemnity referred to in Paragraph 18 hereof;
- (j) such further and other instruments and documents as the Vendor may reasonably require to give effect to the intent of this Agreement;
- (k) the balance of the Purchase Price along with any payment required on account of adjustments as contemplated by Paragraph 5 hereof; and

Tender of all of the documents and monies required to be tendered under Paragraph 10 of this Agreement and the closing of the transaction contemplated by this Agreement shall be made subject to such reasonable trust conditions as may be mutually agreed upon between the Purchaser's Solicitors and the Vendor's Solicitors with both being obligated to act in a reasonable manner. It is a condition of this Agreement that all requirements of this Paragraph 10 are deemed to be concurrent requirements and it is specifically agreed that nothing will be completed on the Date of Closing until everything (other than discharges undertaken to be obtained following completion) required to be paid, executed and delivered on the Date of Closing has been so paid, executed and delivered.

Any monies owing hereunder which are not paid when due shall bear interest at the Prime Rate charged by the Royal Bank of Canada in Calgary, Alberta, from time to time plus 3% per annum, calculated from the date due until payment is received and releasable to the Vendors.

11. RISK

Purchaser	Vendor
JA	CM

Until the Date of Closing, the Lands shall be and remain at the risk of the Vendor.

12. NOTICES

All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery, facsimile transmission or other means of electronic transmission (if shown below) or by registered mail, postage prepaid, addressed to such other party or delivered to such other party as follows:

TO THE PURCHASER at the following address:

SAMER ALTALAJ AND/OR NOMINEE
1051 Everridge Drive SW
Calgary, AB T2Y 4S8
Attention: Samer Altalaj

TO THE VENDOR at the following address:

MICIVOR DEVELOPMENTS LTD.
5171 50th Avenue
Red Deer, AB T4N 4E4
Attention: Faissal Mouhamad

or at such other address or fax numbers as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered personally or faxed if received before 5:00 pm on a Business Day, and if after that time, then shall be deemed to be received on the following Business Day. If any such notice, request, demand or other communication shall have been mailed shall be deemed to have been received on the fifth (5th) Business Day after posted.

13. ASSIGNMENT

The Purchaser shall have the right to assign its interest in this Agreement to a related entity, provided however that the Purchaser shall remain liable for the Purchaser's covenants and obligations herein until the Closing Date. This Offer shall extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

14. FACSIMILE & EMAIL TRANSMISSION

This Offer or a counterpart hereof may be executed and transmitted by fax or email, with transmission confirmed as complete, and if so, executed and transmitted, this

Purchaser	Vendor
SA	CM

Offer shall be for all purposes as effective and binding upon such party as if such party had delivered an originally executed document.

15. AGENCY DISCLOSURE

The Purchaser warrants and represents to the Vendor that it was introduced to the Property by Steve Seiler of KDI Commercial Inc. and was not introduced by any other real estate agent or brokerage.

The Brokerage hereby discloses to the Vendor and the Purchaser that the Brokerage's licensed associates are acting as facilitators by providing services to both parties in order to complete the transaction that do not require the exercise of discretion or judgement or the giving of confidential advice or advocating on behalf of either to Purchaser or the Vendor. The parties further agree that the licensed associate will disclose to both parties all facts known to the licensed associate that materially affect or may materially affect the marketability or market value of the Property. The Parties to this Offer acknowledge that KDI Commercial Inc. have recommended all parties described herein obtain advice from their Professional Advisors. The Parties further acknowledge that any information provided by KDI Commercial Inc. is not to be construed as expert legal, environmental, accounting or tax advice.

16. TIME

Specific times shall be in accordance with the system of standard or daylight saving time in effect where the Lands are located. If the date for making of any payment hereunder or the date for doing any act shall be a Saturday, Sunday or holiday in the City of Calgary, such date shall be extended to the first Business Day next following such date. "Business Day" means a day other than a Saturday, Sunday, statutory or municipal holiday in the City of Calgary. Time shall be of the essence in this Offer.

17. FINTRAC REQUIREMENTS

As part of the closing procedures the Purchaser hereby agrees to provide all such documentation and information, including identification to its council in order to ensure compliance with the federal legislation of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

18. GOODS & SERVICES TAX

With respect to goods and services tax ("GST") payable pursuant to the *Excise Tax Act* (Canada) (the "Act"), the parties covenant and agree as follows:

- (a) subject to Paragraph 18 (b), the Purchaser shall pay to the Vendor on the Closing Date all GST payable as a result of this transaction in accordance

Purchaser	Vendor
JA	SM

with the Act, and the Vendor shall remit such GST to the Receiver General for Canada when and to the extent required by the Act;

- (b) notwithstanding Paragraph 18 (a), the Vendor shall not collect the GST from the Purchaser in this transaction if the Purchaser is a registrant under the Act, and in that event the Purchaser will deliver to the Vendor on Closing a Certificate of the Purchaser confirming that the Purchaser is a registrant and stating the Purchaser's GST registration number.
- (c) the Purchaser shall provide an Indemnity to the Vendor on the Closing Date indemnifying the Vendor harmless from any obligations arising under the Act, together with any losses, costs and expenses suffered by the Vendor in connection with the GST; and
- (d) the provisions aforesaid shall survive Closing.

19. PURCHASER'S CAVEAT AND SUBORDINATION

The Purchaser shall be entitled to register a Purchaser's Caveat on the title to the property. If for any reason whatsoever the Purchaser fails to close on the property or is in breach of any covenants of this Agreement, the Purchaser will remove its Purchaser's caveat within 10 days of receiving notice from the Vendor or the Vendor's lawyer. If the Purchaser's caveat is not removed within 10 days of receiving notice, the Purchaser herein agrees that the Vendor's lawyer shall make application to have the Purchaser's Caveat removed from the land title.

All rights of the Purchaser herein are subject to and subordinate to any mortgage, debenture, charge, trust deed or trust indenture granted by the Vendor prior to or after the date of this Agreement which may now or at any time hereafter affect in whole or in part the Lands. In confirmation of such subordination, the Purchaser shall execute promptly upon request by the Vendor any certificate, instruments of postponement or attornment or other instruments which the Vendor may request from time to time to give effect thereto.

20. CONFIDENTIALITY

The Purchaser and the Vendor agree that all negotiations regarding the Property shall be confidential, including the contents of the Offer and will not be disclosed to anyone other than the parties' respective legal counsel, accountants, lenders, internal staff, agents and equity partners. Furthermore, the Purchaser and Vendor agree that no press or other publicity, release or communication to the general public concerning the proposed transaction will be issued without the other party's prior approval unless required by law.

If the transaction contemplated by this Agreement is not completed for any reason, the Purchaser shall promptly deliver to the Vendor all materials and information

Purchaser	Vendor
SA	CM

provided by the Vendor and others herein (including notes and all reports and information prepared by or for the Purchaser in regards to the Property, including but not limited to environmental and engineering and planning reports), including all copies and shall destroy all of the Purchaser's notes and other due diligence material containing information set out in the materials and information provided by the Vendor herein.

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Purchaser	Vendor
SA	CS

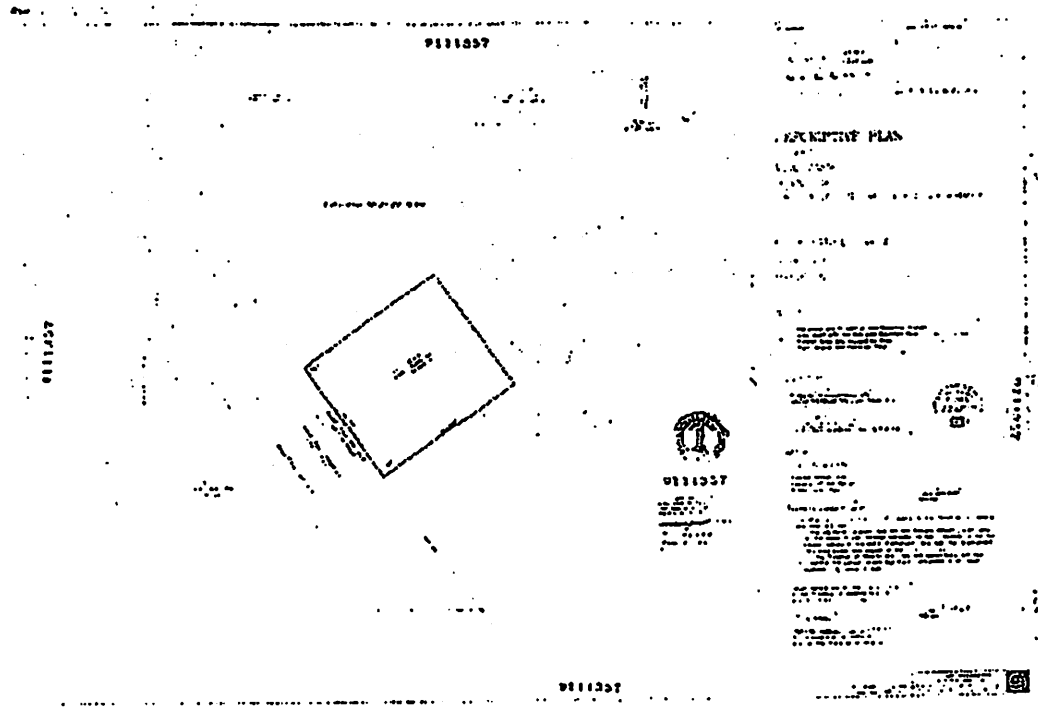
Schedule "A"

LEGAL DESCRIPTION
MERIDIAN 4 RANGE 29 TOWNSHIP 21 SECTION 32
THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES NORTH EAST OF ROAD PLAN 8210125
CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	(ACRES) MORE OR LESS
ROAD	0210206	0.860	2.13
ROAD	0211040	3.66	9.04
SUBDIVISION	0211003	7.40	18.29

**EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME**



Purchaser	Vendor
SA	M

1. IRREVOCABLE DATE

This Offer shall be open for acceptance by the Vendor and irrevocable by the Purchaser until 5:00 p.m. on the 19th day of November 2021.

DATED AT the City of Calgary, in the Province of Alberta, this 17 day of November, 2021.

SAMER ALTALAJ AND/OR NOMINEE
The "Purchaser"

PER: [Signature]

Authorized Signature

ACCEPTANCE

We, the undersigned Vendor of the Lands, hereby accept the above Offer and agree to complete the sale on the terms and conditions in the Offer and should we fail to do so, the Purchaser may, at its option, cancel the Offer and withdraw any deposit monies or take whatever remedies the Purchaser may have at law, including specific performance, among others.

We hereby irrevocably assign out of the proceeds of the sale any unpaid balance of the Commission and we direct our solicitor to pay the same to KDI Commercial Inc. upon the completion of the sale. WE HEREBY NOTIFY BOTH THE PURCHASER AND OUR SOLICITOR OF THIS ASSIGNMENT.

DATED AT the City of Calgary, in the Province of Alberta, this 18th day of November 2021.

MCIVOR DEVELOPMENTS LTD.
The "Vendor"

PER: [Signature]
Authorized Signature

DATE OF ACCEPTANCE

This Offer was made (finalized) on 18. November 2021 (the "Date of Acceptance").

Initials of the person(s) who signed last. (EM)

Purchaser	Vendor
SA	EM

SCHEDULE "B" - COPY OF TITLE



LAND TITLE CERTIFICATE

S
 LINC SHORT LEGAL TITLE NUMBER
 0030 234 033 4:29:21:32:5W 151 108 411

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 29 TOWNSHIP 21
 SECTION 32
 THAT PORTION OF THE SOUTH WEST QUARTER
 WHICH LIES NORTH EAST OF ROAD PLAN 8210125
 CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
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PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0210206	0.860	2.13	
ROAD	0211040	3.66	9.04	
SUBDIVISION	0211003	7.40	18.29	

 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AND THE RIGHT TO WORK THE SAME

ESTATE: FEE SIMPLE

MUNICIPALITY: FOOTHILLS COUNTY

REFERENCE NUMBER: 121 300 022

REGISTRATION	DATE (DMY)	REGISTERED OWNER(S)		VALUE	CONSIDERATION
		DOCUMENT TYPE			
151 108 411	29/04/2015	TRANSFER OF LAND		\$1,700,000	\$1,700,000

OWNERS

MCIVOR DEVELOPMENTS LTD.
 OF 101, 5018-45 STREET
 RED DEER
 ALBERTA T4N 1K9

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
701 067 977	09/05/1978	CAVEAT

(CONTINUED)

Purchaser	Vendor
SA	SM

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
151 108 411

REGISTRATION
NUMBER DATE (D/M/Y) PARTICULARS

RE : DEFERRED RESERVE
CAVEATOR - THE CALGARY REGIONAL PLANNING
COMMISSION.

001 131 891 17/05/2000 UTILITY RIGHT OF WAY
GRANTEE - TELUS COMMUNICATIONS INC.
AS TO PORTION OF PLAN:0010715
TAKES PRIORITY OF CAVEAT #991313501
REGISTERED ON 27TH OCTOBER, 1999

001 327 578 15/11/2000 CAVEAT
RE : RIGHT OF WAY AGREEMENT
CAVEATOR - ATCO GAS AND PIPELINES LTD.
909 11 AVE SW
CALGARY
ALBERTA T2R1L6

161 303 509 29/08/2016 MORTGAGE
MORTGAGEE - ROYAL BANK OF CANADA.
4943 ROSS STREET, 2ND FLOOR
RED DEER
ALBERTA T4N1X8
ORIGINAL PRINCIPAL AMOUNT: \$6,000,000

201 128 323 13/07/2020 MORTGAGE
MORTGAGEE - FAISSAL NOUHAMAD PROFESSIONAL
CORPORATION.
MORTGAGEE - 985842 ALBERTA LTD.
BOTH OF:
C/O 7151-50 AVENUE
RED DEER
ALBERTA T4N4E4
ORIGINAL PRINCIPAL AMOUNT: \$6,500,000
SEE INSTRUMENT FOR INTEREST

201 128 484 23/07/2020 CAVEAT
RE : BENEFICIAL OWNER
CAVEATOR - MAHMOUD HUSEN MOHAMAD
C/O ANDERSON JAMES MCCALL
300, 444 S AVE SW
CALGARY
ALBERTA T2P2T6
AGENT - BRAD FINDLATER

201 139 847 11/08/2020 CERTIFICATE OF LIS PENDENS
BY - MAHMOUD MOHAMAD
SEE INSTRUMENT FOR INTEREST

TOTAL INSTRUMENTS: 007

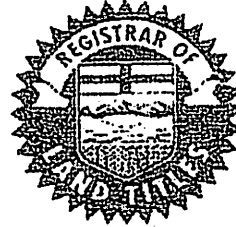
(CONTINUED)

Purchaser	Vendor
JA	GW

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 11 DAY OF NOVEMBER, 2021 AT 11:20 P.M.

ORDER NUMBER: 13376208

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).

Purchaser	Vendor
SA	CT

SCHEDULE "C" - PERMITTED ENCUMBRANCES

Specific Permitted Encumbrances

<u>Registration Number</u>	<u>Date</u>	<u>Particulars</u>
781 067 977	04/05/1978	CAVEAT
001 131 891	17/05/2000	UTILITY RIGHT OF WAY
001 327 578	15/11/2000	CAVEAT

General Permitted Encumbrances

1. Any encumbrance, registration or instrument implied in the Certificate of Title pursuant to the provisions of the *Land Titles Act*, R.S.A., 2000, c. L-4, as amended, and,
2. Any encumbrance the source of which is attributable to the Purchaser

Purchaser	Vendor
SA	LS

WAIVER AND AMENDING AGREEMENT
(the "Waiver")

This Waiver and Amending Agreement has been entered into as of March 29, 2022.

AMONG:

SAMER ALTALAJ AND/OR NOMINEE (the "Purchaser")

-and-

MCIVOR DEVELOPMENTS LTD. (the "Vendor")

WHEREAS the parties hereto entered into an Offer to Purchase accepted November 18, 2021 (the "Agreement").

NOW THEREFORE in consideration of the terms and conditions contained herein, the parties agree as follows:

Amendment to the Agreement

1. Paragraph 2 c) of the Agreement shall be modified to reflect a "Vendor's Condition Date" of July 15, 2022.

Waiver

2. The Purchaser hereby waives its Purchaser's Conditions Precedent described in Paragraph 2 (a) and 2(b) of the Agreement as it has satisfied these conditions. No further Purchaser's Conditions remain.

General

3. All other terms and conditions of the Agreement shall remain unchanged; and
4. Time shall remain of the essence.
5. In this Waiver and Amending Agreement the singular shall be construed as the plural where the context so requires.
6. This Waiver and Amending Agreement shall enure to the benefit and be binding upon the heirs, executors, administrators, successors and assigns.

This Waiver and Amending Agreement shall, on execution, be deemed to amend the Agreement and the Agreement shall be read subject to the terms hereof.

IN WITNESS WHEREOF the parties hereto have executed this Waiver and Amending Agreement as of the date and year first above written.

MCIVOR DEVELOPMENTS LTD.
(the "Vendor")

Per: _____

Authorized Signatory

SAMER ALTALAJ AND/OR NOMINEE
(the "Purchaser")

Samer Altalaj

FIRST AMENDING AGREEMENT
(the "First Amendment")

This Amending Agreement has been entered into as of July 9, 2022.

AMONG:

SAMER ALTALAJ AND/OR NOMINEE (the "Purchaser")

-and-

MCIVOR DEVELOPMENTS LTD., (the "Vendor")

WHEREAS the parties hereto entered into an Offer to Purchase accepted November 18, 2021 (the "Agreement") and Amended March 29, 2022.

NOW THEREFORE in consideration of the terms and conditions contained herein, the parties agree as follows:

Amendment to the Agreement

1. Paragraph 2 c) of the Agreement shall be modified to reflect a "Vendor's Condition Date" of September 30, 2022.

General

2. All other terms and conditions of the Agreement shall remain unchanged; and
3. Time shall remain of the essence.
4. In this Amending Agreement the singular shall be construed as the plural where the context so requires.
5. This Amending Agreement shall enure to the benefit and be binding upon the heirs, executors, administrators, successors and assigns.

This Amending Agreement shall, on execution, be deemed to amend the Agreement and the Agreement shall be read subject to the terms hereof.

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

MCIVOR DEVELOPMENTS LTD.
(the "Vendor")

SAMER ALTALAJ AND/OR NOMINEE
(the "Purchaser")

Per: 
Authorized Signatory


Samer Altalaj

Matthew Park

From: Matthew Park
Sent: August 8, 2022 3:12 PM
To: Matthew Park
Subject: FW: Dewinton Property Sale

From: Steve Seiler <sseiler@kdicommercial.com>
Sent: August 8, 2022 1:51 PM
To: faissal mouhamad <drmouhamad@hotmail.com>
Cc: Matthew Park <MPark@warrensinclair.com>
Subject: RE: Dewinton Property Sale


Hi Matt,

1. The fees are 3% of the sale price of \$4,250,000.00 which would be \$127,500.00 plus GST.
2. The listing began on Sept 9th, 2020.
3. Yes it was listed for \$6M.
4. No other offers received except for the current offer.

Steve Seiler | Senior Associate
#250, 4723 1st Street SW, Calgary, Alberta T2G 4Y8
sseiler@kdicommercial.com
Mobile 403.818.9837
kdicommercial.com



If this email is with regards to a transaction, information and/or opinions expressed herein have been provided by a principal or principals in the transaction, their representative or representatives or other third party sources. No warranty as to the accuracy or completeness of the information and/or opinions or capability of the individual providing such information and/or opinions is intended. Such information and/or opinions should be independently investigated and evaluated and may not be a basis for liability of KDI Commercial or its agents.

THIS IS EXHIBIT " C " referred to
in the Affidavit of Faissal Mouhamad
sworn before me this 9
day of August, A.D. 2022

A Commissioner for Oaths in and for Alberta

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta



Collateral Mortgage - General
Saskatchewan/Alberta/NWT/Nunavut

COLLATERAL MORTGAGE

I/WE, MCIVOR DEVELOPMENTS LTD.

(hereinafter referred to as the "Mortgagor") having an address at 101, 5018-45 STREET, RED DEER,
(Street Address) (City)
ALBERTA, T4N 1K9, 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:

SEE ATTACHED SCHEDULE "A"

(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 4943 ROSS STREET, 2ND FLOOR
RED DEER, ALBERTA, T4N 1X8, 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 _____
SIX MILLION DOLLARS (\$6,000,000.00);
 - (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.

THIS IS EXHIBIT "D" referred to
in the Affidavit of Faissal Mahamad
sworn before me this 9
day of August, A.D. 2022

Matthew R. Park
A Commissioner for Oaths in and for Alberta
Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

"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 (5.000%) 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.

(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;

- (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

- (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~~ (5.000%) 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 distraint 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.

- (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.

- (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 (5.00%) 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 Mortgagor shall be at liberty to exercise its rights under this mortgage.

- (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) **Lensehold:** 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;

(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

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 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 Mortgagees 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.

- (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 12 day of AUGUST, 2016.

in the presence of

(Witness)

(Witness)

(Witness)

(Mortgagor) (seal)

(Mortgagor) (seal)

MCIVOR DEVELOPMENTS LTD.
Name of Mortgagor (if Corporation)

By: FAISSAL MOUHAMAD
Title: PRESIDENT c/s

By: _____
Title: _____

Schedule "A"

MERIDIAN 4 RANGE 29 TOWNSHIP 21
SECTION 32

THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES NORTH EAST OF ROAD PLAN 8210125
CONTAINING 44.2 HECTARES (109.2 ACRES) MORE OR LESS
EXCEPTING THEREOUT:

PLAN	NUMBER	HECTARES	(ACRES)	MORE OR LESS
ROAD	0210206	0.860	2.13	
ROAD	0211040	3.66	9.04	
SUBDIVISION	0211003	7.40	18.29	

EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME



Royal Bank of Canada
 Commercial Financial Services
 335 8th Avenue SW
 23rd Floor
 Calgary, Alberta
 T2P 1C9

August 2, 2016

Private and Confidential

MCIVOR DEVELOPMENTS LTD.
 Suite 101
 5018 45 Street
 Red Deer, Alberta
 T4N 1K9

THIS IS EXHIBIT " E " referred to
 in the Affidavit of Faissal Marhamad
 sworn before me this 9
 day of August, A.D. 2022

A Commissioner for Oaths in and for Alberta

Matthew R. Park
 Barrister and Solicitor
 A Commissioner for Oaths
 in and for Alberta

ROYAL BANK OF CANADA (the "Bank") hereby offers the credit facilities described below (the "Credit Facilities") subject to the terms and conditions set forth below and in the attached Terms & Conditions and Schedules (collectively the "Agreement"). Unless otherwise provided, all dollar amounts are in Canadian currency.

The Bank reserves all of its rights and remedies at any time and from time to time in connection with any or all breaches, defaults or events of default now existing or hereafter arising under this Agreement or any other agreement delivered to the Bank, and whether known or unknown, and this Agreement shall not be construed as a waiver of any such breach, default or event of default.

BORROWER: Mclvor Developments Ltd. (the "Borrower")

CREDIT FACILITIES

Facility #1: \$2,500,000.00 revolving demand facility by way of:

a) RBP based loans ("RBP Loans")

Revolve in increments of:	\$5,000.00	Minimum retained balance:	\$0.00
Revolved by:	Bank	Interest rate (per annum):	RBP + 0.00%

AVAILABILITY

The Borrower may borrow, repay and reborrow up to the amount of this facility provided this facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

REPAYMENT

Notwithstanding compliance with the covenants and all other terms and conditions of this Agreement, Borrowings under this facility are repayable on demand.

GENERAL ACCOUNT

The Borrower shall establish a current account with the Bank (the "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank, to ascertain the balance of the General Account and:

² Registered Trademark of Royal Bank of Canada

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans under this facility;
- b) if such position is a credit balance, where the facility is indicated to be Bank revolved, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans under this facility.

FEES

Monthly Fee:

Payable in arrears on the same day of each month.

Management Fee: \$25.00

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank (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;
- b) 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;
- c) Collateral mortgage in the amount of \$6,000,000.00 signed by the Borrower, constituting a first fixed charge on the lands and Improvements, described as 79.74 Acre Vacant land Parcel. M4,-R29, -T21, part of SW Section 32, Between Highway #2A (Macleod Tr) and Highway #2 (Deerfoot Tr); Municipal District of Foothills, Alberta (the "Mortgage Property");
- d) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$2,500,000.00 signed by Faissal Mouhamad;
- e) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$2,500,000.00 signed by Faissal Mouhamad Professional Corporation, supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of Faissal Mouhamad Professional Corporation; and
- f) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$2,500,000.00 signed by 985842 Alberta Ltd., supported by a general security agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of 985842 Alberta Ltd.

REPORTING REQUIREMENTS

The Borrower will provide the following to the Bank:

- a) annual notice to reader financial statements for the Borrower, within 120 days of each fiscal year end;
- b) annual notice to reader combined financial statements for the Borrower, 985842 Alberta Ltd. and Faissal Mouhamad Professional Corporation, within 120 days of each fiscal year end;
- c) biennial personal statement of affairs for all Guarantors, who are individuals, within 120 days of the end of every second fiscal year of the Borrower, commencing with the fiscal year ending in 2017;
- d) annual copy of personal income tax return and notice of assessment for Faissal Mouhamad, within 120 days of each year end; and

- e) such other financial and operating statements and reports as and when the Bank may reasonably require.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, registered, as required, to the satisfaction of the Bank;
- c) an undertaking from Toronto Dominion Bank to immediately release and discharge all security it holds in the assets of the Borrower upon payment in full of all obligations owing by the Borrower to Toronto Dominion Bank.
- d) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require;
- e) an Environmental questionnaire completed by the Borrower in respect of the Mortgage Property, and containing findings acceptable to the Bank; and
- f) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

Additionally;

- g) all documentation to be received by the Bank shall be in form and substance satisfactory to the Bank;
- h) no Borrowing under Facility #1 will be made available unless the Bank has received a copy of payout statement from Toronto Dominion Bank in form and substance satisfactory to the Bank.

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 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.

GOVERNING LAW JURISDICTION

Province of Alberta.

ACCEPTANCE

This Agreement is open for acceptance until September 1, 2016, after which date it will be null and void, unless extended in writing by the Bank.

ROYAL BANK OF CANADA

Per: [Signature]
Name: Angela Porteous
Title: Account Manager

/s/

We acknowledge and accept the terms and conditions of this Agreement on this 9 day of AUGUST, 2016.

MCIVOR DEVELOPMENTS LTD.

Per: [Signature]
Name: FAISAL MOHAMMAD
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Borrower

Attachments:

Terms and Conditions

Schedules:

- Definitions
- Calculation and Payment of Interest and Fees

TERMS AND CONDITIONS

The Bank is requested by the Borrower to make the Credit Facilities available to the Borrower in the manner and at the rates and times specified in this Agreement. Terms defined elsewhere in this Agreement and not otherwise defined in the Terms and Conditions below or the Schedules attached hereto have the meaning given to such terms as so defined. In consideration of the Bank making the Credit Facilities available, the Borrower agrees, and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

REPAYMENT

Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement and shall be paid in the currency of the Borrowing. Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment. In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand. Where any Borrowings are repayable by scheduled blended payments, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be. Borrowings repayable by way of scheduled payments of principal and interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement. The Borrower shall ensure that the maturities of instruments or contracts selected by the Borrower when making Borrowings will be such so as to enable the Borrower to meet its repayment obligations. For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the Maturity Date of the applicable Borrowings shall automatically be amended accordingly.

In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the Maturity Date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings are by way of RBP Loans, the Borrower may prepay such Borrowings in whole or in part without fee or premium.

The prepayment of any Borrowings under a term facility and/or any term loan will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the Indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure and it will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under Reporting Requirements;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any entity regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall

indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower or any Guarantor and iv) the breach of or non compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

No amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Any amendments requested by the Borrower will require review and agreement by the Bank and its counsel. Costs related to this review will be for the Borrower's account.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank. The Bank may assign or transfer all or any part of its rights and obligations under this Agreement to any Person. The Bank may disclose to potential or actual assignees or transferees confidential information regarding the Borrower and any Guarantor if applicable, (including, any such information provided by the Borrower, and any Guarantor if applicable, to the Bank) and shall not be liable for any such disclosure.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the Province identified in the Governing Law Jurisdiction section of this Agreement and the laws of Canada applicable therein. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower, or a Guarantor if applicable, in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

NON-MERGER

The provisions of this Agreement shall not merge with any Security provided to the Bank, but shall continue in full force for the benefit of the parties hereto.

JOINT AND SEVERAL

Where more than one Person is liable as Borrower or Guarantor if applicable for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidarily) with each other such Person.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Bank that:

- a) it is duly incorporated, validly existing and duly registered or qualified to carry on business in each jurisdiction in which its business or assets are located;
- b) the execution, delivery and performance by it of this Agreement have been duly authorized by all necessary actions and do not violate its constating documents or any Applicable Laws or agreements to which it is subject or by which it is bound;
- c) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or any Security or any other agreement delivered to the Bank;
- d) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which relates to any non-compliance with any Environmental and Health and Safety Laws which, if adversely determined, might have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Agreement or any Security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Bank; and
- e) it has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than as may be provided for herein.

Representations and warranties are deemed to be repeated as at the time of each Borrowing hereunder.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

JUDGEMENT CURRENCY

If for the purpose of obtaining judgement in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "Judgement Currency") any amount due hereunder in any currency other than the Judgement Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgement is given. For this purpose "rate of exchange" means the rate at which the Bank would, on the relevant date, be prepared to sell a similar amount of such currency in the Toronto foreign exchange market, against the Judgement Currency, in accordance with normal banking procedures.

In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgement is given and the date of payment of the amount due, the Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such date is the amount in the Judgement Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency together with interest at RBP and expenses (including legal fees on a solicitor and client basis). Any additional amount due from the Borrower under this section will be due as a separate debt and shall not be affected by judgement being obtained for any other sums due under or in respect of this Agreement.

Schedule "A"

DEFINITIONS

For the purpose of this Agreement, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility and all such usages outstanding at any time are **"Borrowings"**;

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed throughout Canada;

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by Sun Life Assurance Company of Canada, and offered in connection with eligible loan products offered by the Bank;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Maturity Date" means the date on which a facility is due and payable in full;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or

agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 5100, issued by Sun Life Assurance Company of Canada to the Bank;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and **"Royal Bank Prime"** each means the annual rate of interest announced by the Bank 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;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

Schedule "B"

CALCULATION AND PAYMENT OF INTEREST AND FEES

LIMIT ON INTEREST

The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law.

OVERDUE PAYMENTS

Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this Agreement or the instrument or contract governing same, bear interest until paid at the rate of RBP plus 5% per annum. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity date, demand and judgement.

EQUIVALENT YEARLY RATES

The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

TIME AND PLACE OF PAYMENT

Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity date, demand and judgement.

RBP LOANS

The Borrower shall pay interest on each RBP Loan, monthly in arrears, on the 26th day of each month or such other day as may be agreed to between the Borrower and the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days and shall be paid in the currency of the applicable Borrowing.

THIS IS EXHIBIT " F " referred to
in the Affidavit of Faissal Mohamed
sworn before me this 9
day of August, A.D. 2022

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta



[Signature]
A Commissioner for Oaths in and for Alberta

Royal Bank of Canada
Guarantee and Postponement of Claim

SRF: 140101445
Borrower: FAISSAL MOUHAMAD PROFESSIONAL CORPORATION

335 8TH AVE SW
23RD FLR
CALGARY
ALBERTA
T2P 1C9
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 FAISSAL MOUHAMAD 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 \$3,250,000.00 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.

Please do not write in this area



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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.

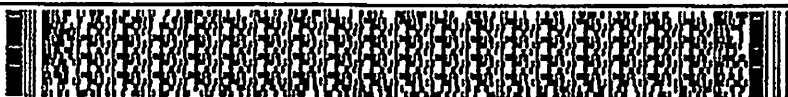
(8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Bank shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents 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.

note in all
circuits (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

August 12 2016
(MONTH) (DAY) (YEAR)

IN THE PRESENCE OF

MCIVOR DEVELOPMENTS LTD.

Witness Signature:

[Handwritten signature]

~~AKSI~~

Name:

Angela Proctor

Witness Signature:

Name:

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

Full name and address

MCIVOR DEVELOPMENTS LTD.
SUITE 101, 5018 45 ST
RED DEER
ALBERTA
T4N1K9
CA

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RBC
Royal Bank

July 19, 2022


Melvor Developments Ltd.
7151 50 Avenue
Red Deer, AB T4N 4E4

Re: RBC Credit Facility Payout Information

Payout Particulars as at July 19, 2022

Outstanding Amount: \$3,141,763.06
Per diem: \$443.42

Figures are provided for indication only and are subject to change. The indebtedness reflected above is in relation to facilities that revolve in nature and are subject to change. Please contact your assigned relationship manager on date of payout for updated figures.

THIS IS EXHIBIT " 6 " referred to
in the Affidavit of Faizal Mahamad
sworn before me this 9
day of August, A.D. 20 22

A Commissioner for Oaths in and for Alberta

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

Note: Figures are provided for indication only and are subject to change.

Warren Sinclair_{LLP}


LAWYERS

August 22, 2022

Miller Thomson LLP
Commerce Place
10155-102 Street, Suite 2700
Edmonton, AB T5J 4G8

Attention: Susy Trace

Dear Ms. Trace:

THIS IS EXHIBIT " E " referred to
in the Affidavit of Faissal Mouhamad
sworn before me this 23
day of August, A.D. 20 22

A Commissioner for Oaths in and for Alberta

Lawyer: Matthew R. Park
E-mail: mpark@warrensinclair.com
Assistant: Kayla Walsh
E-mail: kwalsh@warrensinclair.com
Our File: 127984/MP

Matthew R. Park
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

Re: Royal Bank of Canada v. Faissal Mouhamad Professional Corporation et al.

As you are aware, my office represents several of the defendants named in this action, including Faissal Mouhamad Professional Corporation ("Faissal PC"). Carli Sylvestre, of the law firm Cody and Company Law Office, has recently been retained to represent the defendants Fetoun Ahmad, Delta Dental Corporation ("Delta") and 52 Dental Corporation ("52 Dental"). Please update the Service List accordingly.

Ms. Sylvestre and I take the following position with respect to your client's application scheduled to take place on August 23, 2022:

1. First and foremost, we are concerned with the short service of your client's application materials. Service at 5:35 pm on a Friday in respect of an application scheduled to take place the following Tuesday morning is, in effect, no service at all. We are simply unable to provide a meaningful response to your client's application and will therefore be seeking an adjournment of that application.
2. The concerns raised by your client in its application materials concerning the status of its collateral and the viability of the Red Deer dental clinic operations are noted but not agreed to. Nonetheless, to address those concerns pending the hearing of your client's application on the merits, Faissal PC, 52 Dental and Delta Dental will agree to an Interim Monitor Order. To be clear, Faissal PC, Delta Dental and 52 Dental's consent to this order is not to be considered an admission of any of the allegations made by RBC in any of its materials. The Interim Monitor Order will be without prejudice to Faissal PC, Delta Dental and 52 Dental's right to oppose the relief sought by your client in its Application, to dispute any of the allegations made in the Statement of Claim filed in this matter and their right to make submissions as to who ultimately bears the costs of the monitoring.
3. We propose that your client's application be adjourned to a date after September 12, 2022. As you know, McIvor Developments Ltd. ("McIvor") has entered into an agreement to sell

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property it owns near Dewinton, Alberta (the “**Dewinton Property**”), against title to which your client holds a first-charge mortgage. The proceeds from the sale of this property will be in an amount sufficient to make your client whole. Quite rightly, your client has raised a concern regarding McIvor’s ability to convey clear title to the Dewinton Property, given the caveat and CLP registered on behalf of Mahmoud Mohamad. On September 7, 2022, McIvor will be applying for an order discharging Mr. Mohamad’s registrations from title upon the closing of the sale of the Dewinton Property.

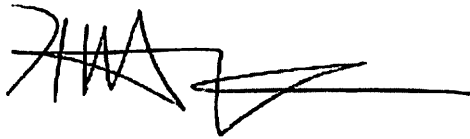
Our proposed Interim Monitor Order is attached for your consideration.

As required, we would be happy to discuss the terms of a separate Procedural Order setting out timelines for questioning on affidavits, the provision of reply evidence, etc.

As required, this correspondence will be put before Justice Hillier at the August 23, 2022 application.

Yours truly,

Warren Sinclair LLP

A handwritten signature in black ink, appearing to read 'M. Park', with a long horizontal line extending to the right.

Matthew R. Park

MP/

Enclosures

Via email only to: strace@millertomson.com

cc: Cody & Company Law Office
Attention: Carli Sylvestre

cc: clients

COURT FILE NUMBER 2203-12557

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANT FAISSAL MOUHAMAD PROFESSIONAL CORPORATION,
MCIVOR DEVELOPMENTS LTD., 985842 ALBERTA LTD., 52
DENTAL CORPORATION, DELTA DENTAL CORPORATION,
52 WELLNESS CENTRE INC., PARADISE MCIVOR
DEVELOPMENTS LTD., MICHAEL DAVE MANAGEMENT
LTD., FAISSAL MOUHAMAD and FETOUN AHMAD, also known
as FETOUN AHMED

DOCUMENT **INTERIM MONITOR ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers & Solicitors
2700 Commerce Place
10115 102 Street
Edmonton, AB T5J 4G8
ATTENTION: SUSY TRACE
Phone: (780) 429-1751
Fax: (780) 424-5866
Email: strace@millerthomson.com
File Number: 0255685.4

DATE ON WHICH ORDER WAS PRONOUNCED: August 23, 2022

LOCATION AT WHICH ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Mister Justice Steven D. Hillier

INTERIM MONITOR ORDER

UPON the application of Royal Bank of Canada (“RBC”) in respect of Faissal Mouhamad Professional Corporation, Delta Dental Corporation and 52 Dental Corporation (collectively the “Debtors”); AND UPON having read the Application, the affidavit of Jocelyn Beriault sworn on August 19, 2022, the affidavit of Faissal Mouhamad sworn on August 23, 2022; AND UPON reading the consent of MNP Ltd. to act as Interim Monitor (“Interim Monitor”) of the Debtors, filed; AND UPON hearing counsel for RBC, counsel for the proposed Interim Monitor and any other counsel or other interest parties present; AND UPON being advised of the consent to the Order by each of RBC and the Debtors;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “Order”) is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 47 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“BIA”), MNP Ltd. is hereby appointed Interim Monitor, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “Property”).
3. The Interim Monitoring shall terminate on the earliest of:
 - a) The taking of possession by a Receiver, within the meaning of section 243 (2) of the BIA, of the Debtors’ property over which the Interim Monitor was appointed; and
 - b) _____, 2022, unless renewed by further order of the Court prior to that date.
 - c)

INTERIM MONITOR'S POWERS

4. In this Order:
 - (a) “**Material**” means important or significant, to a level sufficient to influence decisions or behaviours in a meaningful way
 - (b) “**Material Adverse Change**” means a change which is Material and:
 - i. has a significant adverse effect on the Debtors’ projected cash-flow;
 - ii. significantly impairs, or is reasonably expected to significantly impair, the Debtors’ financial circumstances or the ability of the Debtors to carry on operations; or
 - iii. significantly prejudices the rights or interests of one or more creditors.
5. The Interim Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Monitor is hereby expressly empowered and authorized to do any of the following where the Interim Monitor considers it necessary or desirable:
 - a) monitor the Debtors’ receipts and disbursements, the Debtors’ business (the “**Business**”) and dealings with the Property;
 - b) immediately report to the Court and RBC if, in the opinion of the Interim Monitor, there is a Material Adverse Change in the financial circumstances or business of the Debtors (the “**Material Adverse Change Report**”);
 - c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Monitor’s powers and duties conferred by this Order;

- d) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Monitor deems appropriate all matters relation to the Property and the interim monitoring, and to share information, subject to such terms as to confidentiality as the Interim Monitor deems advisable;
- e) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Interim Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DEBTOR TO PREPARE CASH FLOW FORECAST AND PROVIDE FINANCIAL INFORMATION

- 6. The Debtors will prepare and deliver to the Interim Monitor no later than _____, 2022 a ___ week cash flow forecast for the period ending _____, 2022 (the “Cash Flow Forecast”). The Interim Monitor will provide the Cash Flow Forecast to RBC and its counsel.
- 7. The Debtors shall provide to the Interim Monitor financial information in respect of the Debtors, the Property and their operations upon the Interim Monitor’s request.

INTERIM MONITOR’S REVIEW AND EVALUATION OF THE PROPERTY

- 8. The Interim Monitor will conduct a review and evaluation of the Property in a manner it deems advisable, and the Interim Monitor will provide a report to the Court in respect of its findings no later than _____, 2022. The said report shall also comment on the financial performance of the Debtors during the period of time from the date of this Order to the date of the report, including the Debtors’ adherence to the Cash Flow Forecast and any other matters or issues that the Interim Monitor deems as appropriate.

MATERIAL ADVERSE CHANGE

9. Upon:

- a) the Interim Monitor filing with the Court a Material Adverse Change Report;
- b) the Debtors failing to pay when due any Employee-related Obligations; or
- c) the Debtors otherwise being in default of any of their obligations under this Order

RBC shall be at liberty to immediately apply to Court, on 3 days' notice, for a Receivership Order to appoint MNP Ltd. as Receiver in respect of the Debtors and the Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO INTERIM MONITOR

10. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Monitor of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Monitor, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependant on maintaining possession) to the Interim Monitor upon the Interim Monitor request.
11. All Persons shall forthwith advise the Interim Monitor of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Monitor or permit the Interim Monitor to make, retain and take away copies thereof and grant to the Interim

Monitor unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Monitor due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

12. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Monitor for the purpose of allowing the Interim Monitor to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Monitor in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Monitor. Further, for the purposes of this paragraph, all Persons shall provide the Interim Monitor with all such assistance in gaining immediate access to the information in the Records as the Interim Monitor may in its discretion require including providing the Interim Monitor with instructions on the use of any computer or other system and providing the Interim Monitor with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM MONITOR

13. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Interim Monitor except with the written consent of the Interim Monitor or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

14. With the exception of the application presently scheduled to take place in Court of Queen’s Bench of Alberta action number 2001-09035 on September 7, 2022, and any steps ancillary or incidental thereto, no Proceeding against or in respect of the Debtors or the Property

shall be commenced or continued except with the written consent of the Interim Monitor or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph 8; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OF REMEDIES

15. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Interim Monitor or affecting the Property are hereby stayed and suspended and shall not be commenced, proceed or continued except with leave of this Court, provided, however, that nothing in this Order shall:
 - a) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on;
 - b) exempt the Interim Monitor or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment;
 - c) prevent the filing of any registration to preserve or perfect a security interest; or
 - d) prevent the registration of a claim for lien.

16. Nothing in this Order shall prevent any party from taking an action against the Debtors where such action must be taken in order to comply with statutory time limitations in order

to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Interim Monitor at the first available opportunity.

NO INTERFERENCE WITH INTERIM MONITOR

17. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Interim Monitor or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

18. All Persons having statutory or regulatory mandates for the supply of goods and/or services or oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of the Debtors' current premises, current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Interim Monitor, or as may be ordered by this Court.

INTERIM MONITOR TO HOLD FUNDS

19. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Debtors or the Interim Monitor from and after the making of this Order from any

source whatsoever including, without limitation, the sale of any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited, in the case of Faissal PC, into either:

- a) One or more new accounts to be opened by the Interim Monitor; or
- b) One or more existing accounts held by Faissal PC with RBC

and, in the case of Delta Dental and 52 Dental, the existing account held by those corporations with Bank of Nova Scotia, with the Interim Monitor to have exclusive signing authority in respect of those accounts. The monies standing to the credit of such Post Monitoring Accounts from time-to-time, net of any disbursements provided for herein, shall be held by the Interim Monitor to be paid in accordance with the terms of this Order or further order of the Court.

EMPLOYEES

20. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtor. The Interim Monitor shall not be liable for any employee-related liabilities, including any successor employee liabilities as provided for by section 14.06 (1.2) of the BIA.
21. During the term of this Order, upon the Debtors providing to the Interim Monitor such verifications and supporting information as the Interim Monitor may request from time-to-time (the "**Employee-related Obligations Supporting Materials**") in respect of their employee salary, wages and benefits, and obligations owing to Canada Revenue Agency (collectively the "**Employee-related Obligations**"), and provided that such Employee-related Obligations Supporting Information is satisfactory to the Interim Monitor, the Interim Monitor shall pay to the Debtors such amounts that are supported by the Employee-related Supporting Information and which the Debtors are required by law to pay in respect of Employee-related Obligations, and all such amounts paid by the Interim Monitor to the Debtors shall only be used to pay or satisfy the Employee-related Obligations. Provided, however, that in no event shall the Interim Monitor be obligated to pay the Debtors any amounts greater than the amounts actually

received by and held by the Interim Monitor from the collection of accounts receivable or the sale of inventory by the Debtors, or funds arising from the Debtors' ordinary business operations, but not including the proceeds from the sale of any other Property.

22. Nothing in this Order shall in any manner whatsoever make or render the Interim Monitor liable or responsible to pay to any employee or to the Canada Revenue Agency obligations, and the Debtors shall at all times continue to remain fully liable and responsible for all such payments, obligations and liabilities.

23. During the term of this Order, the Debtors shall not, without the prior written consent of the Interim Monitor, pay any other costs, charges or expenses.

LIMITATION ON ENVIRONMENTAL LIABILITIES

24. (a) Notwithstanding anything in any federal or provincial law, the Interim Monitor is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:

- (i) before the Interim Monitor's appointment; or
- (ii) after the Interim Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Interim Monitor's gross negligence or wilful misconduct.

(b) Nothing in sub-paragraph (a) exempts a Interim Monitor from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.

(c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Interim Monitor to remedy any environmental condition or environmental damage affecting the Property, the Interim Monitor is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Interim Monitor, if the order is in effect when the Interim Monitor is appointed, or during the period of the stay referred to in clause (ii) below, the Interim Monitor:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Interim Monitor, if the order is in effect when the Interim Monitor is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Interim Monitor to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Interim Monitor had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON INTERIM MONITOR'S LIABILITY

25. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Interim Monitor shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Interim Monitor under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

INTERIM MONITOR'S ACCOUNTS

26. The Interim Monitor and counsel to the Interim Monitor shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Interim Monitor and counsel to the Interim Monitor shall be entitled to and are hereby granted a charge (the “**Interim Monitor’s Charge**”) on the Property, which charge shall not exceed \$ _____, as security for such fees and disbursements, incurred both before and after the making of this Order in respect of these proceedings, and the Interim Monitor’s Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
27. The Interim Monitor and its legal counsel shall pass their accounts from time to time.
28. Prior to the passing of its accounts, the Interim Monitor shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Interim Monitor or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

ALLOCATION

29. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Interim Monitor’s Charge amongst the various assets comprising the Property.

GENERAL

30. The Interim Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
31. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Interim Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.

32. Nothing in this Order shall prevent the Interim Monitor from acting as Interim Receiver, Receiver or trustee in bankruptcy of the Debtors.
33. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Monitor and its agents in carrying out the terms of this Order.
34. The Interim Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Interim Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
35. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Interim Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
36. This Order is granted without prejudice to the rights of the Debtors to oppose the relief sought by RBC in its Application filed on August 22, 2022 and to dispute any of the allegations made by RBC in the Statement of Claim filed in this action.
37. This Order is granted without prejudice to the rights of the Debtors to make submissions to the Court as to the costs of this application and who, as between RBC and the Debtors, shall ultimately bear the costs of the Interim Monitor's accounts and those of the Interim Monitor's legal counsel.

FILING

38. The E-Service Guide of the Alberta Court of Queen's Bench Commercial List (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: <https://albertacourts.ab.ca/qb/areas-of-law/commercial>) shall be valid and effective service. Subject to Rules 11.25 and 11.26, this Order shall constitute an order for substituted service pursuant to Rule 11.28 of the *Alberta Rules of Court*. Subject to paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission.

39. Service of this Order shall be deemed good and sufficient by serving the same on:

- a) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
- b) any other person served with notice of the application for this Order; and
- c) any other parties attending or represented at the application for this Order.

Service on any other person is hereby dispensed with.

40. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier.

J.C.Q.B.A