

**DUNCAN CRAIG** LLP  
LAWYERS MEDIATORS

Our File: 204-213643

Your File:

February 9, 2023

Lawyer:  
Telephone:  
Email:  
Fax:

**Darren R. Bieganek, KC**  
780.441.4386  
dbieganek@dcllp.com  
780.428.9683

**Via Email**

Court of King's Bench of Alberta – Commercial  
Law Courts Building  
1A Sir Winston Churchill Square  
Edmonton, AB T5J 0R2

**Attention: Brent Dufault**

Dear Sir:

**Re: Royal Bank of Canada v. Faissal Mouhamad Professional Corporation et al**  
**KB Action No. 2203 12557**  
**Application for Approval of Claims Process, Activities and Fees (February**  
**14, 2023)**

Our office acts on behalf of 1193770 Alberta Ltd. ("119").

Please find enclosed the following:

- a) Application of 119 returnable February 14, 2023;
- b) Affidavit of Jure Jovica sworn February 9, 2023; and
- c) Proposed form of Order.

The Application and Affidavit were submitted for filing earlier today but have not yet been received back filed in our office. We trust you will find the foregoing and the enclosed to be in order.

Yours truly,

**DUNCAN CRAIG LLP**

Per:



DARREN R. BIEGANEK, KC  
DRB/kjsb  
Enclosure

www.dcllp.com  
Tel: 780.428.6036 ■ Toll Free: 1.800.782.9409 ■ Fax: 780.428.9683  
#2800, 10060 Jasper Ave. Edmonton, Alberta T5J 3V9

COURT FILE NO. 2203 12557

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton

PLAINTIFF ROYAL BANK OF CANADA

Clerk's Stamp

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

DOCUMENT **APPLICATION BY 1193770 Alberta Ltd.**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Darren R. Bieganek, KC  
Barrister & Solicitor  
Phone: 780.441.4386  
Fax: 780.428.9683  
Email: dbieganek@dcllp.com  
File # 204- -213643

**DUNCAN CRAIG LLP**  
LAWYERS MEDIATORS  
2800 Rice Howard Place  
10060 Jasper Avenue  
Edmonton, Alberta Canada T5J 3V9

**NOTICE TO RESPONDENT(S):**

This application is made against you. You are a 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: February 14, 2023  
Time: 2:00 PM  
Where: Law Courts, Edmonton, Alberta  
Before Whom: The Honourable Justice Mah

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. An Order abridging time for service of notice of this application to the time actually given;
2. In respect of 985842 Alberta Ltd. ("985"):
  - (a) Directing the Receiver, after closing the sale of the commercial unit located at 5207 Power Centre Boulevard, Drayton Valley, Alberta (the "DV Unit") to finalize its cost allocation in respect of 985 and the DV Unit;
  - (b) Provide an accounting of same to legal counsel for 1193770 Alberta Ltd. ("119") (Darren R. Bieganek, KC of Duncan Craig LLP);
  - (c) Provide the net sale proceeds after deduction of the cost allocation to counsel for 119;
  - (d) Such further and other directions to the Receiver as may be appropriate in the circumstances;
3. An Order directing counsel for 119 to hold the net sale proceeds in trust pending either an agreement with Mahmoud Mohamad or further order of the Court on notice to Mahmoud Mohamad for distribution of the proceeds to 119;
4. Costs of the application;
5. Such further and other relief as the Court considers appropriate in the circumstances.

**Grounds for making this application:**

6. The DV Unit is the process of being sold;
7. The transaction giving rise to the sale will not result in proceeds sufficient to retire the indebtedness owing by 985 to 119;
8. There are no parties with a claim to the sale proceeds other than 119 and Mahmoud Mohamad;
9. The further involvement of the Receiver in a determination of entitlement to those proceeds is prejudicial to the interest of the remaining claimants;
10. Such further and other grounds as counsel may advise and the Court permit.

**Material or evidence to be relied on:**

11. Affidavit of Jure Jovica sworn February 9, 2022;
12. Such further and other material or evidence as counsel may advise.

**Applicable rules:**

13. *Alberta Rules of Court*, and in particular Rules 1.3, 6.3, 13.5;

**Applicable Acts and regulations:**

14. *Bankruptcy and Insolvency Act (Canada)*, and in particular section 248;
15. *Judicature Act (Alberta)* and in particular sections 8 and 13(2) thereof;
16. Such further statutes as counsel may advise.

**Any irregularity complained of or objection relied on:**

17. N/A.

**How the application is proposed to be heard or considered:**

18. In person before the Honourable Justice Mah by Webex

**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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the Applicant(s) a reasonable time before the application is to be heard or considered.

COURT FILE NO. 2203 12557  
COURT Court of King's Bench of Alberta  
JUDICIAL CENTRE Edmonton  
PLAINTIFF ROYAL BANK OF CANADA



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

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Darren R. Bieganeck, KC  
Barrister & Solicitor  
Phone: 780.441.4386  
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File # 204- -213643

**DUNCAN CRAIG LLP**  
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2800 Rice Howard Place  
10060 Jasper Avenue  
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**AFFIDAVIT OF JURE JOVICA**

Sworn on February 9th, 2023

I, Jure Jovica, of the City of Calgary, in the Province of Alberta, Businessman, SWEAR AND SAY THAT:

1. I am a partner in Jovica Investments Inc. ("Jovica"), a business engaged in real estate investment and mortgage lending. Jovica acts as administrative agent for 1193770 Alberta Ltd. ("119"), a mortgage lender to 985842 Alberta Ltd. ("985").
2. I am authorized on behalf of 119 to make this Affidavit. The matters deposed to are either based on my personal knowledge, my review of the books and records maintained by Jovica on behalf of 119 in the ordinary course of business (entries in which books and records are made reasonably contemporaneously with their entries as the transactions

occur) or information and belief. Where matters are stated to be based on information and belief, I do verily believe the same to be true.

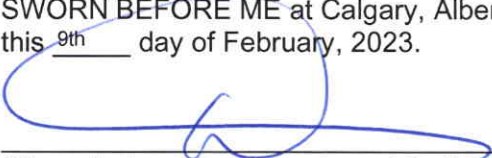
3. This Affidavit is sworn in opposition to the Application of the Receiver for approval of a claims process in respect of 985.
4. To the best of my knowledge, information, and belief, 985 has one asset of material value in this Receivership. That asset is a commercial unit located at 5207 Power Centre Boulevard, Drayton Valley, Alberta (the "DV Unit") which is leased to a dentist.
5. 119 made a loan to 985 in the amount of \$800,000 and holds a first mortgage against the DV Unit.
6. Attached and marked **Exhibit "A"** to this my Affidavit is a copy of the Mortgage.
7. Attached and marked **Exhibit "B"** to this my Affidavit is a copy of the General Security Agreement obtained by 119 in respect of 985.
8. Attached and marked **Exhibit "C"** to this my Affidavit is a copy of a trust letter from the 119 solicitors to the solicitor to 985 confirming the advance of funds.
9. Attached and marked **Exhibit "D"** is a copy of the title to the DV Unit.
10. Attached and marked **Exhibit "E"** is a copy of the Personal Property Registry search from Alberta Personal Property Registry in respect of 985.
11. Attached and marked **Exhibit "F"** is a copy of a payout statement from 119. The amount outstanding to 119 as of December 8, 2022 is \$816,080.
12. All of the foregoing information has already been provided by 119 to the Receiver's legal counsel in November and December.
13. The DV Unit is the subject of an application for a Sale Approval and Vesting Order which is scheduled for the afternoon of February 9, 2023. 119 supports that sale however it will not generate sufficient proceeds to retire 985's indebtedness to 119. There will be a significant shortfall.
14. From the title to the DV Unit, it appears that the only question that needs to be addressed in respect of this matter is a determination of the validity and nature of the claim in relation to the Certificate of Lis Pendens ("CLP") registered ahead of 119's mortgage.
15. Engaging in a claims proving process conducted and managed by the Receiver will only serve to increase costs in relation to this matter in respect of 985. A further increase in costs against these proceeds will further erode the security position of 119 to its detriment.
16. I am informed by legal counsel for Jovica and 119, Darren R. Bieganeck, KC, and do verily believe that the fairest approach to take in respect of this matter is to:
  - (a) Have the Receiver complete the sale;
  - (b) Upon conclusion of the sale, have the Receiver finalize its anticipated cost allocation in respect of 985; and

(c) Thereafter, provide the balance of the net sale proceeds to our legal counsel for holding in trust pending either an agreement with the holder of the CLP or further Order of the Court.

17. 119 can then bring application, on notice to the holder of the CLP, for distribution of the proceeds without incurring further costs of the Receiver and its legal counsel to deal with that issue.

18. No other creditor has an interest in these proceeds.

SWORN BEFORE ME at Calgary, Alberta, )  
this 9<sup>th</sup> day of February, 2023. )

  
\_\_\_\_\_  
(Commissioner for Oaths in and for the )  
Province of Alberta) )  
DARRELL S. COHEN - Barrister & Solicitor )

  
\_\_\_\_\_  
JURE JOVICA

# MORTGAGE PURSUANT TO "THE LAND TITLES ACT"

985842 Alberta Ltd. of Red Deer, Alberta, (herein called the "Mortgagor") being registered as owner of an estate in fee simple in possession, subject, however, to such encumbrances, liens and interests as are notified by memorandum and underwritten or endorsed hereon, in all and singular that certain piece or parcel of land situate in the Province of Alberta, Canada, and legally described as

Plan 0721291  
Block 102  
Lot 14  
Excepting thereout all mines and minerals

This is Exhibit " A " referred to in the  
Affidavit of  
Jure Jovica

Sworn before me this 9th day of  
February A.D. 20 23

~~A Notary Public~~, A Commissioner for Oaths in  
and for the Province of Alberta DARRELL S. COHEN  
Barrister & Solicitor

together with the benefits and advantages of all easements, franchises and privileges now or hereafter appurtenant or appertaining thereto (hereinafter sometimes called the "said lands" or the "mortgaged premises") in consideration of the sum of **Eight Hundred Thousand (\$800,000.00) Dollars** (hereinafter referred to as the "principal sum") lent to the Mortgagor by **1193770 Alberta Ltd.** (hereinafter called the "Mortgagee"), the receipt of which sum the Mortgagor hereby acknowledges, COVENANTS AND AGREES with the Mortgagee that:

## REPAYMENT

1. The Mortgagor will pay to the Mortgagee the principal sum in lawful money of Canada, at the Mortgagee's Office at c/o 500, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6, or at such other place as may be designated by the Mortgagee, with interest at the rate of **Ten percent (10.00%)** per annum, Compounded Monthly, not in advance as well after as before default and maturity until the principal sum and interest and all other money payable under this mortgage shall be fully paid as follows:

(a) interest at the aforesaid rate on the amounts of the principal sum from time to time advanced, computed from the respective dates of such advances up to and including the **July 17, 2020**, (hereinafter called the "interest adjustment date") shall become due and be paid on the date last mentioned, provided the Mortgagee may require the aforesaid interest on the principal advances made from time to time, computed from the date of each such advances, to become due and payable in monthly instalments on the 17th day of the month next following the first advance, and on the 17th day of each and every month thereafter and the balance, if any, of the aforesaid interest on advances shall become due and be paid on the interest adjustment date, and at the option of the Mortgagee interest so due and payable may be deducted from such advances; and

(b) thereafter the principal sum together with interest thereon at the aforesaid rate, computed from the date last mentioned shall become due and be paid by equal consecutive monthly instalments of **Six Thousand Six Hundred and Sixty Six Dollars and Sixty Seven Cents (\$6,666.67)** each, the first of such instalments to become due and be paid on the **August 17, 2020**, and a like amount on the 17th day of each and every consecutive succeeding month thereafter up to and including the **July 17, 2021**, and the full balance of the principal sum and interest thereon as aforesaid shall become due and be paid on the date last mentioned; each of the said monthly instalments to be applied firstly in payment of interest, secondly in payment of all other charges due under this mortgage, and thirdly in reduction of the principal sum.

## PRIOR ENCUMBRANCES

2. (a) The Mortgagor further covenants that should this Mortgage be registered subsequent to another encumbrance the, "Prior Encumbrance", the Mortgagor shall not allow any default to occur pursuant to the terms of the Prior Encumbrance and further covenants and agrees that should the Mortgagor allow a default to occur pursuant to the terms of the Prior Encumbrance, same shall be considered to be a default pursuant to the terms of this Mortgage and will allow the Mortgagee herein to exercise all of its rights and remedies herein contained.

(b) If the Mortgagor makes default in the performance of the covenants or conditions contained in any prior Mortgage, charge or encumbrances secured upon the said lands, then the entire unpaid balance hereby secured together with



interest, shall at the option of the Mortgagee, become forthwith due and payable without notice or demand. The Mortgagee shall be at liberty in case of such default to pay any arrears or other sums payable under the said Mortgage, agreement for sale, or encumbrances, or pay off all or any portion of the principal, interest and any other charges thereby secured. Any amounts so paid by the Mortgagee shall:

- (i) be added to the amount hereby secured;
  - (ii) bear interest at the stipulated rate herein or as amended from time to time until repaid;
  - (iii) be a charge upon the said land, and
  - (iv) unless repaid to the Mortgagee upon demand shall be recoverable from the Mortgagor in the same manner as if such sum had been originally secured hereby.
- (c) The Mortgagor specifically acknowledges and agrees that it has executed an Irrevocable and Unconditional Direction Not

to Re-Advance to Borrower and Direction to Partially Discharge the Mortgage ("Direction") registered on title to the said lands. In the event the Prior Mortgagee advances further funds to the Mortgagor in contravention of the Direction, or fails to provide a partial discharge of their Mortgage for those further funds, such advancement of funds or failure to provide a partial discharge, shall constitute a default under the terms and conditions of this Mortgage. This Mortgagee shall be entitled to recover personally from the Mortgagor any such further advance of funds and any solicitor client costs of the enforcement, on a full indemnity basis, as that advance will make recover against the said Land insufficient to payout this Mortgagee in full.

#### PRIORITY

3. (a) This mortgage may be renewed or extended, from time to time, at the sole option of the Mortgagee by an agreement in writing between the parties for the term offered by the Mortgagee with or without an increased rate of interest, notwithstanding that there may be subsequent encumbrances. The "date of the mortgage" shall be deemed to be the date of the renewal agreement. Such renewal agreement need not be registered against title to the said lands in order to retain the priority for this mortgage, so renewed and altered, over any instrument registered subsequently to the registration of this mortgage prior to its renewal, and such renewal agreement shall be binding against the Mortgagor, its successors and assigns, and all subsequent mortgagors and encumbrancers and other parties.

(b) The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's legal expenses on a solicitor-and-his-own-client basis, full indemnity basis).

(c) No such renewal, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this mortgage as renewed or extended. Nothing contained herein shall be taken to confer any right of renewal upon the Mortgagor.

#### ARREARS OF INTEREST

4. All interest in arrears shall become principal and bear interest at the rate aforesaid, payable at the times, in the manner and at the place herein mentioned for the payment of interest, from the time the same becomes due and payable. In case the sums hereby secured or any part thereof be not paid at the time or times above set forth for payment thereof the Mortgagor will, so long as such sums or any part thereof remain unpaid or owing on the security hereof, or during the continuance of this security, pay interest from day to day as above provided on the said sums or so much thereof as shall for the time being remain due, owing or unpaid during the continuance of this security, and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest, at the above rate, on any moneys due or owing to the Mortgagee during the continuance of this security, under any of the covenants herein contained or on any judgment to be recovered thereon. Provided that in the event of any default being made in the payment of any instalment of interest secured under this mortgage the same shall thereupon become part of the principal sum hereby secured and shall bear interest from the time when the same became due at the rate aforesaid, and on each day when any instalment of interest falls due hereunder in each and every year until the whole of the said principal sum and interest secured hereby is fully paid and satisfied; all sums of money, whether interest or otherwise, then due and remaining unpaid shall become principal and bear interest at the rate aforesaid.

## CHARGE

5. And for the better securing to the Mortgagee the repayment in the manner aforesaid of the said principal sum and interest and other charges and all the moneys hereby secured, the Mortgagor hereby mortgages to the Mortgagee all the Mortgagor's estate and interest in the lands herein described.

## SHORT COVENANTS

6. The Mortgagor covenants with the Mortgagee that the Mortgagor:
- (a) has a good title to the said lands;
  - (b) has the right to mortgage the said lands;
  - (c) has done no act to encumber the said lands;
  - (d) will execute such further assurances of the said lands as may be requisite;
  - (e) and that, on default, the Mortgagee shall have quiet possession of the said lands free from all encumbrances.

## MORTGAGEE NOT BOUND TO ADVANCE

7. Neither execution nor registration nor acceptance of this mortgage, nor the advance of part of the moneys secured hereby, shall bind the Mortgagee to advance the said principal sum or any unadvanced portion thereof, but nevertheless this mortgage shall take effect forthwith on the execution of these presents, and if the principal sum or any part thereof shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances when so made shall be secured hereby and repayable with interest as herein provided.

## TAXES, LIENS, ENCUMBRANCES, ETC.

8. (a) The Mortgagor will pay, as and when the same shall fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the said lands or on this mortgage or on the Mortgagee in respect of this mortgage and, on demand therefor by the Mortgagee, will produce and leave with the Mortgagee receipts for the same.

(b) The Mortgagee may pay, as and when the same shall fall due, all taxes, rates, liens, charges, encumbrances or claims which are or may be or become charges or claims against the mortgaged premises or on this mortgage or on the Mortgagee in respect of this mortgage and any amount so paid by the Mortgagee shall become part of the principal sum hereby secured and be a charge on the said lands in favour of the Mortgagee and shall be payable forthwith by the Mortgagor to the Mortgagee, with interest at the rate aforesaid until paid, and in default proceedings for sale and foreclosure may be taken in addition to all other remedies.

(c) If the said lands or any part thereof are sold or forfeited for non-payment of taxes while any sum remains unpaid hereunder, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the name of the Mortgagor and on the Mortgagor's behalf, any and all sums necessary to be paid to redeem such lands so sold or forfeited, and to revest such lands in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee as agent to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee shall be repaid by the Mortgagor to the Mortgagee forthwith, or in the alternative the Mortgagee shall have the right to bid on and/or purchase the said lands at any tax sale of the same and shall thereupon become the absolute owner thereof.

(d) The Mortgagor further covenants with the Mortgagee that the Mortgagee may deduct from any advance of moneys secured by this mortgage an amount sufficient to pay any and all taxes, rates, liens, charges, encumbrances or claims against the said lands which have become or will become due and payable and are unpaid at the date of such advances, together with such interest as may be due in respect of such advances.

(e) The Mortgagor shall on demand therefor by the Mortgagee pay to the Mortgagee on each monthly payment date of principal and interest and in addition thereto, until the indebtedness hereby secured is fully paid, an instalment on account of taxes, rates, assessments, levies and charges which are now or may hereafter be imposed upon or charged or chargeable against the said lands by any competent authority. The amount of the monthly instalments shall be equal to the amount of such annual taxes next due, as estimated by the Mortgagee, less all instalments already paid therefor, divided by the number of monthly instalments therefor becoming due not later than one (1) month prior to the due date of any such taxes and shall be subject to increase or decrease to the extent required to create as of the monthly payment date on the mortgage immediately preceding the due date of any such taxes, an amount sufficient for the payment thereof in full on such due date. The due date herein referred to is that date from and after which penalties accrue and become an additional charge if payment is not made on or before such

date. Nothing herein contained shall obligate the Mortgagee to apply such moneys on account of taxes more often than once each calendar year.

(f) The Mortgagor covenants to transmit to the Mortgagee all assessment notices, tax notices, and other documents affecting the imposition and payment of taxes against the said lands as soon as the same have been received by the Mortgagor and to obtain and deliver the same to the Mortgagee at least thirty (30) days prior to the due date for the payment thereof.

(g) Any amount paid to the Mortgagee as in this paragraph required, may be held by it with its own funds pending payment or application thereof as herein provided and nothing herein contained shall obligate the Mortgagee to apply such moneys on account of taxes more often than yearly. The Mortgagee shall pay the taxes to the amount of the then unused credit thereof on or before their due date and may, at its option, pay any of such taxes when payable either before or after the said due date, without notice, or make advances therefor in excess of the then amount of credit for such taxes. The excess amount advanced shall be immediately due and payable to the Mortgagee and shall be secured as additional principal sum under this mortgage and bear the same rate of interest from the date of advancement as the principal indebtedness. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such taxes.

(f) The Mortgagee may apply credits for the above taxes, or any part thereof, on account of any delinquent instalments of principal or interest or any other payments maturing or due under this mortgage and the amount of credit existing at any time shall be reduced by the amount thereof paid or applied as herein provided. The amount of the existing credit hereunder at the time of any transfer of the said lands shall without assignment thereof inure to the benefit of the successor owner of the said lands and shall be applied under and subject to all the provisions hereof. Upon the payment in full of the moneys secured hereby, the amount of any unused credit shall be paid to the party lawfully entitled thereto.

(g) If payments are not made as in this paragraph provided, and such default continues for a period of ten (10) days, then the Mortgagee may, at its option, declare the whole of the principal sum and interest hereby secured and not previously paid immediately due and payable and proceed as in the case of any other default in payment thereof.

#### INSURANCE

9. (a) The Mortgagor will forthwith insure, and during the continuance of this security keep insured against loss or damage by fire each and every building on the said lands to the extent of their full replacement value in an insurance company or companies, to be approved of by the Mortgagee; and will not do nor suffer anything whereby the said policy or policies may be vitiated, and will pay all premiums and sums of money necessary for such purposes as the same shall become due and will assign and deliver over unto the Mortgagee the policy or policies of insurance, the receipt or receipts thereto appertaining.

(b) In addition to the furnishing of fire insurance as herein otherwise provided, the Mortgagor covenants and agrees with the Mortgagee to furnish to the Mortgagee insurance policies or insurance contracts against such other insurable risks, perils or events including, without limiting the generality of the foregoing, boiler, plate glass, rental and public liability insurance, and in such amounts as the Mortgagee may require, upon the improvements situate on the mortgaged premises to the full replacement value and for such period of time as the Mortgagee may from time to time require during the existence of this mortgage.

(c) If the Mortgagor shall neglect to keep the said buildings, or any of them, insured as aforesaid, or to pay the said premiums, or to deliver such policy or policies of insurance, or the receipt or receipts thereto appertaining to the Mortgagee, or to deliver satisfactory evidence of the renewal of each policy of insurance to the Mortgagee at its address as stated on Page 1 of this Mortgage at least five (5) days before the expiry thereof, then it shall be lawful for the Mortgagee to insure the said building or buildings in manner aforesaid, at the cost, charge and expense of the Mortgagor, in which case the mortgagee shall be entitled to charge an additional service fee in the sum of \$250.00 which shall be added to the principal sum herein secured with interest thereon at the interest rate herein stated or as amended from time to time.

(d) The Mortgagee may require any insurance of the said buildings to be cancelled and new insurance effected, and it shall be optional with the Mortgagee, in so far as it is entitled so to do from time to time under the laws of the Province of Alberta, to name the company or companies and the agents thereof, by which the insurance shall be written, all at the cost, charge and expense of the Mortgagor.

(e) The loss under any policies or contracts of insurance hereinbefore required to be provided by the Mortgagor, and any renewal thereof, shall be payable to the Mortgagee, and such policies or contracts shall be in terms satisfactory to the

Mortgagee, shall have attached mortgage clauses in a form approved by the Mortgagee, and shall be delivered to and held by the Mortgagee.

(f) If for any reason any insurance as hereinbefore provided for cannot be effected or maintained, the whole of the principal sum and interest hereby secured and not previously paid shall, at the option of the Mortgagee, forthwith become due and payable.

(g) And it is further agreed that in case of the cancellation of any insurance by reason of the unsatisfactory condition of the buildings on the said lands or from any other cause whatsoever, the Mortgagee or its agents shall have the right to enter the said buildings at any time for the purpose of inspection at the expense of the Mortgagor, and the whole of the principal sum and interest hereby secured and not previously paid shall, at the option of the Mortgagee, forthwith become due and payable.

(h) Nothing herein shall be deemed to hold the Mortgagee responsible for failure to have insurance placed or for any loss growing out of any defects in any policy, or because of failure of any insurance company to pay for any loss or damage insured against.

(i) And the Mortgagor agrees forthwith on the happening of any loss or damage, to furnish at the expense of the Mortgagor all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys and all moneys received by virtue of any policy or policies as aforesaid may, at the option of the Mortgagee, either be forthwith applied in or toward repairing, rebuilding, or reinstating the mortgaged premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the mortgaged premises or be applied or paid partly in one way and partly in another, or it may be applied, at the sole discretion of the Mortgagee, in whole or in part on the mortgage debt or any part thereof whether due or not then due.

#### IMPROVEMENT, FIXTURES, ETC.

10. All erections, buildings, improvements, and other fixtures which are now or which shall hereafter be placed or installed upon the mortgaged premises shall form part of the realty and of the security and are included in the expression "the said lands", and the Mortgagor will not commit any act of waste thereon, and the Mortgagor will at all times during the continuance of this security, the same repair, maintain, restore, amend, keep, make good, finish, add to and put in order, and in the event of any loss or damage thereto or destruction thereof the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same within a time to be determined by the Mortgagee and to be stated in such notice; and upon the Mortgagor failing so to repair, rebuild or reinstate within such time, such failure shall constitute a breach of covenant hereunder and thereupon the mortgage moneys shall, at the option of the Mortgagee, become immediately due and payable and that without any demand by the Mortgagee upon the Mortgagor; provided that the Mortgagee may repair, rebuild or reinstate the mortgaged premises at the cost of the Mortgagor and charge all sums of money determined by the Mortgagee to be properly paid therefor to the mortgage account. This provision shall be in addition to any statutory covenants implied in this mortgage.

#### ASSIGNMENT OF RENTS

11 As further security for the payment of all moneys owing hereunder the Mortgagor assigns and agrees to assign to the Mortgagee all rents which shall now, or hereafter may become payable by reason of any tenancy or tenancies covering the mortgaged premises or any part thereof; and if the Mortgagor be in default in the observance or performance of any of the terms, covenants and conditions of this mortgage, then the Mortgagee shall have the right, by its agents or otherwise, to take and receive the rents thereof, and, for such purposes, the Mortgagor hereby appoints the Mortgagee attorney for the Mortgagor and in the Mortgagor's name, to execute such agreements, transfers or conveyances as may be required for the purposes aforesaid, the Mortgagor hereby confirming and ratifying all things which the Mortgagee may do in connection therewith; and the Mortgagor agrees to execute such further assurances as may be required to give effect to the true intent and purpose of this provision; but nothing in this provision shall make the Mortgagee chargeable or accountable as a mortgagee in possession.

#### PREPAYMENT CLAUSE

12. The Mortgagor, acknowledges that this mortgage is closed and may not be prepaid in any way, shape or form, for a period of six (6) months calculated from the interest adjustment date (closed period). However, once the closed period has expired, the Mortgagor, when not in default under this mortgage, may prepay all sums due and owing under same, at any time, without penalty or bonus. This privilege shall not apply to any renewal of this mortgage unless the Mortgagee agrees in writing. No partial prepayment will be accepted by the Mortgagee.

### EXPENSES OF OBTAINING AND MAINTAINING SECURITY

13. All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this mortgage and for examining the mortgaged premises and the title thereto and for making or maintaining this mortgage as an appropriate charge on the mortgaged premises, and in exercising or enforcing or attempting to enforce or in pursuance of any right, power, remedy or purpose hereunder or subsisting, and legal costs as between solicitor and client, **on a full indemnity basis**, and also allowance for the time, work and expenses of the Mortgagee or of any agent, solicitor or servant of the Mortgagee for any purpose herein provided for as from time to time are permitted by the laws of the Province of Alberta together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the said lands, or in maintaining, repairing, restoring or completing the mortgaged premises, and in inspecting, leasing, managing or improving the mortgaged premises, including the price or value of any goods of any sort or description supplied to be used on the mortgaged premises, and whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise are to be secured hereby and shall be a charge on the said lands, together with interest thereon at the said rate; and all such moneys shall be repayable to the Mortgagee on demand, or if not demanded, then with the next ensuing instalment of interest, except as herein otherwise provided.

### MAINTENANCE OF CHARGE

14. The Mortgagor will fully and effectually maintain and keep the security hereby created as a valid and effective security during the currency hereof and will not permit or suffer the registration of any debt, lien or privilege whatsoever, whether of workmen, builders, contractors, engineers, architects or suppliers of material, upon or in respect of the mortgaged premises, which could rank prior to the charge of this mortgage; provided that the registration of any such lien or privilege shall not be deemed to be a breach of this covenant if the Mortgagor shall desire in good faith to contest the same and shall, if the Mortgagee so requires, give security to the satisfaction of the Mortgagee for the due payment of the amount claimed in respect thereof, together with possible costs, in case it shall be a valid lien or privilege.

### ACCELERATION

15. If any default shall be made in any payment of principal or interest of any of the moneys hereby secured or any part thereof, or in the observance or performance of any of the covenants, agreements, provisoes and stipulations herein contained, then, and in such case, the whole principal moneys hereby secured shall, at the option of the Mortgagee, become due and payable in like manner to all intents and purposes as if the time herein mentioned for payment of such principal money had fully come and expired.

### REMEDIES ON DEFAULT

16. In the event of default being made in any of the covenants, agreements, provisoes or stipulations expressed or implied herein:

(h) the Mortgagee may, at the expense of the Mortgagor, and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;

(i) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the said lands and a solicitor to examine and report upon the title to the same;

(j) the Mortgagee or agent of the Mortgagee may enter into possession of the said lands and whether in or out of possession collect the rents and profits thereof, and make any demise or lease of the mortgaged premises, or any part thereof, for such terms and periods and at such rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;

(k) it shall and may be lawful for and the Mortgagor hereby grants full power, right and licence to the Mortgagee to enter, seize and distrain upon the mortgaged premises, or any part thereof, and by distress warrant to recover as much of the moneys secured hereby as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress;

(l) the Mortgagee may sell and dispose of the said lands with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the said lands; and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this mortgage may be exercised; and no want of notice or publication or any other defects, impropriety or irregularity shall invalidate any sale made or purporting to be made of the said lands hereunder; and the Mortgagee may sell, transfer and convey any part of the mortgaged premises on such terms of credit or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall appear to the Mortgagee most advantageous and for such prices as can reasonably be obtained therefor; and in the even of a sale on credit or for part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and sales may be made from time to time of parts of the said lands to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper, and may buy in or rescind or vary any contract for sale; and on any sale or resale, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and

(m) the Mortgagee shall be entitled (in addition and without prejudice to all its other rights and privileges) forthwith to apply for and obtain the appointment of a receiver of the said lands and premises and the rents and profits thereof without the necessity of first exercising its right to enter into possession.

#### EXPROPRIATION

17. If the said lands shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the amount of the principal sum hereby secured remaining unpaid shall forthwith become due and payable together with interest thereon at the said rate to the date of payment and together with a bonus equal to the sum of three (3) months' interest at the said rate calculated on the amount of the said principal sum so remaining unpaid.

#### MISCELLANEOUS COVENANTS

18. The Mortgagor further covenants and agrees with the Mortgagee that:

(a) it is agreed that this mortgage, the taking, foreclosure or cancellation thereof or any other dealing with or proceeding under the same shall not operate by way of merger of any indebtedness of the Mortgagor to the Mortgagee or any contract or instrument by which the same now or at any time hereafter be represented or evidenced, nor shall it operate to suspend payment of any such indebtedness or affect or prejudice in any way the rights, remedies and powers of the Mortgagee in respect thereof or any securities held by the Mortgagee for the payment thereof; and that no judgment recovered by the Mortgagee and no other dealing with any other security for the moneys advanced hereunder or secured hereby shall operate by way of merger of this mortgage or in any way affect the security hereby created or the Mortgagee's right to interest as aforesaid;

(b) the Mortgagee may at all times release any part or parts of the said lands or any other security or any surety for payment of all or any part of the moneys hereby secured or may release the Mortgagor or any other person from any covenant or other liability to pay the said moneys or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the said lands, or any other securities or covenants herein contained, it being especially agreed that notwithstanding any such release the lands, securities and covenants remaining unreleased shall stand charged with the whole of the moneys hereby secured;

(c) no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the moneys hereby secured;

(d) the waiver of one or more defaults under this mortgage shall not be construed as a waiver of any subsequent or other default;

(e) in the event of the mortgage moneys advanced hereunder, or any part thereof, being applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights of and stand in the position to and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of

the Mortgagee as to the validity or amount of any advance or disbursement made under this mortgage or of any claim so paid off, shall be final and binding on the Mortgagor;

(f) the Mortgagee shall not be charged with any moneys receivable or collectable out of the mortgaged premises or otherwise, except those actually received; and all revenue of the said premises received or collected by the Mortgagee from any source other than payment by the Mortgagor may, at the option of the Mortgagee, be used in maintaining or insuring or improving the mortgaged premises, or in payment of taxes or other charges against the mortgaged premises, or applied on the mortgage account;

(g) in any action, suit, or proceeding for enforcing this mortgage, or to recover payment of the moneys hereby secured, or for the sale, foreclosure, or obtaining possession of the said lands, or any part thereof, service of any Notice, Writ of Summons, Originating Summons, Statement of Claim, Order of Court or a Judge, or of any legal or other proceeding by the Mortgagee, or by any statute, ordinance, rule, order or practice required to be given or served, may be effected by posting up a copy of such Notice, Writ of Summons, Originating Summons, Statement of Claim, Order or legal proceeding on the said lands (if unoccupied), or by leaving any such copy with a grown person on the said lands (if occupied) or, at the option of the Mortgagee, by publishing the same in some newspaper published in the Province of Alberta; and such notice shall be sufficient though not otherwise addressed than "To Whom It May Concern"; and the Mortgagor hereby agrees to such notice being given or such service being made as aforesaid, and that the same shall be in lieu of and shall have the same effect and be taken as personal notice or service; any statute, ordinance, order, rule, or practice to the contrary notwithstanding;

(h) if the Mortgagor be a corporation, it hereby waives the provisions of Subsections (1) to (3) inclusive of Section 42 and Subsections (1) to (4) inclusive of Section 41 of the Law of Property Act, Revised Statutes of Alberta 1980, Chapter L-8 and all the amendments thereto and all the amendments made subsequent hereto, and all substitutions thereof;

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

(j) the descriptive headings of the several paragraphs of this mortgage are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

#### **BUILDING MORTGAGE**

19. If this mortgage is a building mortgage, the Mortgagor covenants and agrees with the Mortgagee to construct a building or buildings and other improvements on the said lands in accordance with the plans and specifications which have been or are hereafter approved by the Mortgagee and to carry on diligently to completion the said building, buildings and other improvements and that the building or buildings being erected or to be erected on the said lands shall form part of the security for the full amount of the moneys secured by this mortgage, and that advances on this mortgage are to be made from time to time in the future in accordance with the progress of such building or buildings or upon their completion, occupation or sale, subject to the provisions of paragraph 7 hereof.

#### **DISCHARGE**

20. The Mortgagee shall have a reasonable time after payment of the mortgage moneys in full within which to prepare and execute a discharge of this mortgage; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and to the extent permitted by law, all legal and other expenses for the preparation and execution of such discharge shall be borne by the Mortgagor; PROVIDED THAT the Mortgagor shall not be entitled to a discharge of this mortgage unless and until all covenants, provisoes, agreements and stipulations herein contained, on the part of the Mortgagor to be observed or performed, have been duly complied with, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or otherwise.

## DUE ON SALE AND RELEASE

21. If the Mortgagor sells, conveys or transfers the said lands or agrees to do so, to anyone without obtaining prior written approval from the Mortgagee, the loan amount shall at the Mortgagees option, immediately become payable in full. Any payment accepted by the Mortgagee from any person or persons whom the Mortgagee has not first approved in writing shall not mean that the Mortgagee has granted prior written approval nor that the Mortgagee has relinquished its right to require the Mortgagor to pay the loan amount in full.

You shall provide us with sufficient written information to enable us to determine whether we should give our written approval and we shall upon receipt of sufficient information, make our determination in a timely manner. Prior written approval by us shall not be unreasonably withheld.

If prior written approval is granted by us to you to sell, convey or transfer your property or any part of it, upon; (a) registration of a valid Deed/Transfer of Land to the approved person or persons; and, (b) if required by us, receipt by us of one or more Guarantee Agreements, we release and forever discharge; (a) you from your obligations under the mortgage and the obligation to pay the loan amount; and (b) if applicable, any guarantors from their guarantee that you would make all payments required by the mortgage and that you would comply with all other obligations contained in the mortgage.

22. The Mortgagor hereby acknowledges having received a Duplicate copy of this Mortgage prior to receiving any of the proceeds of same.

23. In the event any payment is missed and/or dishonoured for any reason whatsoever under this Mortgage, the Mortgagee shall be entitled to charge the Mortgagor a \$250.00 administration fee per payment missed or dishonoured per individual Mortgagee. Upon collection of any defaulted payment(s) and the administration fee(s), the Mortgagee shall be entitled to insist that the collected amount be provided, together with collection costs, by certified cheque, money order, bank draft, cash or solicitor's trust cheque, at the sole option of the Mortgagee.

24. The Mortgagor acknowledges that in the event any obligation of the mortgagor for payment to the mortgagee pursuant to the terms of this mortgage has been deferred (deferred period) interest shall run on those sums so deferred at the rate stated in this mortgage or any renewal thereof during said deferral period.

26. The Mortgagor and the Mortgagee covenant and agree that should the Mortgagee allege default on the part of the Mortgagor, the Mortgagee shall be entitled, at its sole option and discretion, to commence foreclosure proceedings in any Judicial District the Mortgagee chooses, notwithstanding that the lands and premises which are the subject of the foreclosure proceedings are not situate therein. As such, this clause shall be considered to be an "agreement in writing" as contemplated by the Alberta Rules of Court.

27. The Mortgagor hereby specifically acknowledges and agrees that the Mortgagee shall be entitled to make any and all reasonable inquiries and obtain any and all reasonable information with respect to the mortgage premises, such inquiries to include, but not be limited to any other Mortgagees, municipal authority and insurance company.

28. The Mortgagor hereby consents to the Mortgagee, being a credit granting corporation, to conduct a name search of the Mortgagor in accordance with Section 17.3 of the *Land Titles Act* (Alberta). In addition, the Mortgagor hereby appoints the Mortgagee as its agent and attorney for purposes of obtaining any and all information regarding the said lands, including, without limitation, information from the "Information System" established under the *Safety Codes Act* (Alberta).

29. The Mortgagor hereby specifically acknowledges and agrees that, in the event the Mortgagee is requested or required to file a Proof of Claim in Bankruptcy of the Mortgagor, the Mortgagee shall be entitled to charge the Mortgagor a \$250.00 administration fee per Proof of Claim filed. Upon collection of any defaulted payment(s) and the administration fee(s), the Mortgagee shall be entitled to insist that the collected amount be provided, together with collection costs, by certified cheque, money order, bank draft, cash or solicitor's trust cheque, at the sole option of the Mortgagee. Any act of Bankruptcy or Insolvency by the Mortgagor shall be considered a default under the terms and conditions of this mortgage.

30. The Mortgagor authorizes the Mortgagee to collect personal information (including credit, employment and other financially-related



information) about the Mortgagor, from the Mortgagor or from credit bureaus, credit reporting agencies, financial institutions, government departments, insurance institutions, neighborhood and condominium associations, references the Mortgagor has provided to the Mortgagee and from persons who may have referred the Mortgagor's mortgage business to us.

The Mortgagor consents that the personal information collected from the Mortgagor and others may be used for the following purposes: (i) to determine the Mortgagor's financial situation; (ii) to determine the Mortgagor's initial and ongoing eligibility for mortgage services; (iii) to administer or service the Mortgagor's mortgage; (iv) to arrange for and in connection with the financing of the Mortgagee's mortgage business; and (v) as otherwise necessary for the provision of mortgage services and protection of the Mortgagee's security interest herein.

The Mortgagor consents that the personal information collected from the Mortgagor and others may be disclosed to the following people for the following purposes: (i) to credit bureaus, credit reporting agencies, mortgage insurers and financial institutions to confirm the Mortgagor's financial situation and the Mortgagor's initial and ongoing eligibility for mortgage services; (ii) to persons retained to administer or service the Mortgagor's mortgage for the purpose of such administration or servicing; (iii) to persons (or their permitted assignees) involved in the financing or securitizing, or facilitation of the financing and securitizing, of the Mortgagee's mortgage business for the purpose of their providing or facilitating such financing or securitizing (which may include the administration or servicing of the Mortgagor's mortgage by them or their agents); and (iv) to other persons as necessary for the provision of mortgage services to the Mortgagor and protection of the Mortgagee's security interest herein.

31. The Mortgagor specifically acknowledges and agrees that he/she/they have specifically contracted to extend the statutory limitation periods as prescribed by law in the Province of Alberta including but not limited to those prescribed under the *Limitations Act*, R.S.A. 200, c. L-12, as amended or replaced from time to time to a period of 25 years..
32. The Mortgagor further covenants and agrees that in the event the property forming the subject matter of this mortgage is a Condominium as defined by the *Condominium Property Act*, Alberta, then and in that event, the following provisions apply:
- (a) any default by the Mortgagor in the payment of the Mortgagor's share of common area or other authorized charges levied by the Condominium Corporation, shall automatically constitute default under this mortgage.
  - (b) should the Mortgagor fail in the Mortgagor's responsibility to pay all charges levied by the Condominium Corporation in respect of the Mortgagor's interest in the property, the Mortgagee may make all such payments on the Mortgagor's behalf, in which event the Mortgagor hereby acknowledges that the amount so paid shall be added to, and form part of, the principal sum secured hereby and shall forthwith be repaid to the Mortgagee, with interest at the rate provided in this mortgage.
  - (c) the Mortgagee reserves the right at any time to exercise the Mortgagor's power to vote on all matters as an owner and member of the Condominium Corporation. Such right, if exercised by the Mortgagee, shall not render the Mortgagee in possession, nor shall the Mortgagee be held responsible for the protection of the Mortgagor's interests.

In the event the Mortgagor owns a parking stall registered under the Condominium Plan or leased from the Condominium Corporation, which parking stall has not been secured by the Mortgage or assigned to the Mortgagee, the Mortgagor specifically grants to the Mortgagee an equitable mortgage in the said parking stall, and the Mortgagor hereby mortgages and charges to the Mortgagee all of the Mortgagor's estate, right, title and interest in the said parking stall. Further, the Mortgagor specifically agrees to any rectification of the Mortgage to include said parking stall and as such the said parking stall shall form part of the Mortgaged Premises herein. Further, the Mortgagor specifically agrees not to sell or lease the said parking stall without the specific written consent of the Mortgagee and any attempt to sell or lease the said parking stall shall be considered a default under the Mortgage.

32. The Mortgagor or any subsequent transferee, assignee, estate, etc. shall comply with any requests for and provide to the Mortgagee any reasonable information requested regarding the Mortgagor or the said lands.
33. The Mortgagor warrants and represents that to the best of their knowledge the lands and existing prior uses of the lands, and any construction or development on the lands comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation thereof (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:



**SECURITY AGREEMENT**

THIS AGREEMENT MADE AS OF THE 26 DAY OF July, A.D. 2020 (the "Security Agreement")

BETWEEN:

This is Exhibit " B " referred to in the Affidavit of Jure Jovica c/o 500, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6  
1193770 Alberta Ltd.  
(the "Secured Party")

OF THE FIRST PART

Sworn before me this 9th day of February A.D. 2023

- AND -

~~A. Nelson Pichota~~, A Commissioner for Oaths in and for the Province of Alberta

985842 Alberta Ltd.  
108, 5207 Power Centre Boulevard, Drayton Valley, AB

(the "Debtor")

DARRELL S. COHEN  
Barrister & Solicitor

OF THE SECOND PART

WHEREAS the Debtor is or will be indebted to the Secured Party from time to time; and

WHEREAS the Debtor has agreed to secure repayment of all amounts from time to time owing by the Debtor to the Secured Party by the granting of this Security Agreement charging the assets herein described of the Debtor to the Secured Party.

1. SECURITY INTEREST

The Debtor hereby grants to the Secured Party by way of mortgage, charge assignment and transfer, a security interest (the "Security Interest") in all of the Debtor's present and after-acquired personal property and any proceeds thereof, including but not limited to those items which are specifically described in Schedule "A" to this Security Agreement also including but not limited to the Debtors present and future goodwill, monies, contracts, agreements, negotiable and non-negotiable instruments, book debts, judgments, securities, materials, stock, supplies, inventories, furniture, implements and equipment (the "Collateral")

The Security Interest created and provided for herein shall attach upon execution of the Security Agreement in respect of all items of collateral herein described in which the Debtor has rights at that moment, and shall attach to all rights of the Debtor acquired hereafter, immediately upon such registration.

2. DEFINITIONS

The terms goods, chattel paper, documents of title, equipment, consumer goods, instrument, intangible, security, proceeds, inventory and accession whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the Province of Alberta, as amended from time to time, which Act, including amendments thereto is herein referred to as the "PPSA". Any reference herein to the Collateral shall, unless the context otherwise requires, be deemed a reference to the Collateral or any part thereof. The term proceeds (the "Proceeds") whenever used herein shall be interpreted as any and all proceeds of every type or kind, both present and after-acquired, and by way of example include trade-ins, equipment, cash, bank accounts, book debts, notes, chattel paper, goods, contract rights, accounts and any other

personal property or obligations received when such Collateral or Proceeds are sold, exchanged, collected, or otherwise disposed of, and all insurance payments relative to the Collateral or Proceeds.

3. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Debtor be bound alone or with another or others and whether as principal or surety (the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled pursue full payment thereof.

4. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants and so long as this Security Agreement remains in effect shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned, legally and beneficially, by the Debtor free of all other security interests, mortgages, liens, claims, charges or encumbrances (the "Encumbrances"), save for the Security Interest and the following encumbrances:

NIL		
NIL		
Secured Party:	-	NIL
Amount Secured:	-	NIL

(the "Existing Encumbrances")

- (b) each debt, account, chattel paper and instrument constituting Collateral is:
- (i) enforceable in accordance with its terms against the party obligated to pay the same (the Account Debtor); and
  - (ii) free from any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce Collateral or otherwise; and
  - (iii) in the amount which is now and may from time to time be represented to the Secured Party.
- (c) it has full power and authority to conduct its business and own its property in all jurisdictions in which the Debtor carries on business and has full power and authority to execute, deliver and perform all of its obligations under this Security Agreement;
- (d) this Security Agreement when duly executed and delivered by the Debtor will constitute a legal, valid and binding obligation of the Debtor, subject only that such

enforcement may be limited by bankruptcy, insolvency and any other laws of general application affecting creditors' rights and by rules of equity governing enforceability by specific performance;

- (e) there is no provision in any agreement to which the Debtor is a party, nor to the knowledge of the Debtor is there any statute, rule or regulation, or any judgment, decree or order of any court, binding on the Debtor which would be contravened by the execution and delivery of this Security Agreement;
- (f) there is no litigation, proceeding or dispute pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, the adverse determination of which might materially and adversely affect the Debtor's financial condition or operations or impair the Debtor's ability to perform its obligations hereunder; provided that in the event the Debtor fails to place insurance and it becomes necessary for the Secured party to do so, the Secured shall have the right to place said insurance at the sole cost and expense to the Borrower and shall be additionally entitled to charge an additional service fee of \$250.00, all of which shall bear interest at any rate or rates set out in any and all loan agreements and or documents entered into between the Debtor and the Secured Party.
- (g) the names of the Debtor are accurately and fully set out above, and the Debtor is not known by any other names.

##### 5. COVENANTS OF THE DEBTOR

So long as this Security Agreement remains in effect the Debtor covenants and agrees to, at its own expense:

- (a) defend the Collateral against the claims and demands of all other parties claiming the same or any interest therein; to keep the Collateral free from all encumbrances, except for the Security Interest and the Existing Encumbrances and to maintain and keep in good standing, free from default, all such Existing Encumbrances and not to sell, exchange, transfer, assign, lease or otherwise dispose of any interest therein without the prior written consent of the Secured Party; provided always that until default, the Debtor may, in the ordinary course of the Debtor's business sell or lease inventory and subject to clause 7 of this Security Agreement, use monies that may become available to the Debtor;
- (b) notify the Secured Party promptly of any event causing loss or depreciation to the Collateral or any change in the information contained in this Security Agreement relating to the Debtor, the Debtor's business or the Collateral;
- (c) keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Security Agreement or any other agreement relating to the Collateral or any policy of insurance with respect to the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance and to permit the Secured Party or its representative, upon request, to enter into or upon any premises or lands where the Collateral may be located for the purpose of examining the condition of the Collateral;
- (d) do, execute, acknowledge and deliver such financing statements and further

assignments, transfers, documents, acts, assurances, matters and things (including further schedules hereto) as may be reasonably requested by the Secured Party with respect to the Collateral or otherwise, in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;

- (e) pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) insure and keep insured the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Secured Party shall reasonably direct and to provide the Secured Party with such evidence of insurance as it may from time to time request with loss payable to the Secured Party and the Debtor, as insures, as their respective interests may appear, and to pay all premiums therefor;
- (g) prevent the Collateral, except the inventory sold or leased as permitted by this Security Agreement, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) continuously carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepting accounting principles, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and to provide the Secured Party or its representative, upon request, access to all such books of account and records;
- (i) punctually pay all rents, taxes, rates and assessments lawfully assessed or imposed upon any property or income of the Debtor and to punctually pay all debts and obligations to labourers, workmen, employees, contractors, subcontractors, suppliers of materials and other debts which, when unpaid, might under the laws of Canada or any province of Canada have priority over the Security Interest granted by this Security Agreement;
- (j) immediately give notice to the Secured Party of:
  - (i) any change in location of the Collateral;
  - (ii) the details of any material acquisition or disposition of Collateral (whether authorized by the Secured Party or not);
  - (iii) any material loss of or damage to Collateral;
  - (iv) the details of any claims or litigation affecting materially the Debtor or Collateral; and
  - (v) any change of its name;
- (k) not remove any of the Collateral from Alberta without prior written consent of the Secured Party;
- (l) comply with such additional affirmative and negative covenants and restrictions to

be performed and observed by the Debtor in respect of provision of financial information, payment of dividends, capital expenditures, incurring additional obligations, reduction of capital, distribution of assets, amalgamation, repayment of loans, lending of money, sale and other disposition of assets and/or such other matters as the Secured Party may advise, and the Debtor agrees to perform and observe such affirmative and negative covenants and restrictions to the same extent and effect as if the same were fully set forth in this Security Agreement;

- (m) not, without first informing the Secured Party in writing, carry on business under or use any name or style other than the name(s) specified in this Security Agreement;
- (n) allow the Secured Party or its representatives the right to inspect the Collateral and review and copy any and all information and data relating to the Collateral or any other transactions between the parties hereto wherever and however such information and data may be stored. In the event that the use of a computer system is required to access such information and data, the Debtor shall allow the Secured Party the use of its computer system for such purpose and shall provide assistance in that regard. If for any reason the information and data cannot be accessed and retrieved at the Debtor's premises the Secured Party may remove the medium in which such information or data is stored from the Debtor's premises to any other place which has a computer system that will give the Secured Party the opportunity to retrieve, record or copy such information and data. The Secured Party shall be entitled to reproduce and retain a copy of any such information and data in any format whatsoever;
- (o) deliver to the Secured Party upon request:
  - (i) any chattel paper, instrument, security, and document of title, and upon such delivery, where applicable, duly endorse the same for transfer in blank or as the Secured Party may direct;
  - (ii) all computer software, tapes, discs, drums and cards, all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
  - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
  - (iv) all policies and certificates of insurance relating to the Collateral;
  - (v) all agreements, licenses, permits and consents relating to the Collateral and the Debtor's business;
  - (vi) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may request;
- (p) provide such information as the Secured Party may request from time to time with respect to Account Debtors and the debts payable by such Account Debtors;
- (g) comply with all terms, conditions, and covenants contained in any other agreements made between the Debtor and the Secured Party, including, without restriction, the terms of any Loan Agreement, between the Debtor and the Secured Party.

## 6. USE AND VERIFICATION OF THE COLLATERAL

As long as the Debtor is not in default of any of the terms, conditions, covenants or representations contained in this Agreement, the Debtor may, until default occurs, possess, operate, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Security Agreement; provided always that the Secured Party shall at all times continue to have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all acts as the Secured Party may reasonably request in connection therewith.

## 7. COLLECTION OF DEBTS

Before or after default under this Security Agreement, the Secured Party may notify all or any Account Debtors of the Security Interest and may also direct such Account Debtors to pay all payments on the Collateral to the Secured Party. The Debtor acknowledges that any payments on or other Proceeds of the Collateral received by the Debtor from Account Debtors, whether before or after notification of this Security Interest to Account Debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request.

## 8. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder, which is herein referred to as "Default":

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal, interest or other sums forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Secured Party;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if any individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or a receiver and manager or trustee for the Debtor or any property of the Debtor, or the institution by or against the debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise, or the taking of proceedings under The Companies' Creditors Arrangement Act;
- (d) the institution by or against the Debtor or any formal or informal proceeding for the amalgamation, dissolution, liquidation or winding up of affairs of the Debtor;
- (e) if any encumbrance whether an Existing Encumbrance or otherwise affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with the applicable law or commits or threatens to commit an act of bankruptcy;



- (g) if any execution, sequestration, extent, distress or any other similar process is levied or enforced against the Debtor or any property of the Debtor;
- (h) if any certificate, statement, representation, warranty or information provided by or on behalf of the Debtor to the Secured Party, whether pursuant to or in connection with this Security Agreement, or otherwise, (including, without limitation, the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit or to enter into this or any other agreement with the Debtor, proves to have been false or misleading in any material way, or proves to have omitted any contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or information, which change shall not have been disclosed to the Secured Party at or prior to the time of such execution;
- (i) if the Debtor fails when due to perform any obligation to any other person, and such failure is not cured within 30 days of the date the Debtor first knew or should have known of such failure;
- (j) if any of the licenses, permits or approvals granted by any government or any governmental authority and essential to the business of the Debtor, is withdrawn cancelled or significantly altered;
- (k) if the Secured Party in good faith believes the prospect of payment or performance of the Debtor's obligations under this Security Agreement is impaired or is likely to be impaired or that the Collateral is or is likely to be placed in jeopardy.

9. ACCELERATION

In the event of default by the Debtor under this Security Agreement the Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable without demand or notice of any kind. The provisions of this clause 9 do not affect or change the demand nature of any portion of the indebtedness which is now or may hereafter be payable on demand.

10. REMEDIES

On default:

- (a) the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver or receivers (hereinafter called the "Receiver", which term when used herein shall include a receiver and manager) of the undertaking of the Debtor and the Collateral (including any interest, income or profits there from) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall not in any way be responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his servants, agents or employees. Every such Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party;

- (b) the Secured Party, either directly or through its agents or nominees, may exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing clause 10(a);
- (c) the Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, the Secured Party may sell, release or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Secured Party may deem reasonable;
- (d) in addition to all rights granted by this Security Agreement or otherwise held by the Secured Party, whether in law or in equity, it is specifically acknowledged that, both before and after default, the Secured party shall have all rights and remedies of a secured party under the PPSA. The Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes and shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper whether Collateral or Proceeds and whether or not in the Secured Party's possession and shall not be liable or accountable for any failure to do so;
- (e) the Secured Party or any Receiver appointed by it may take possession of the Collateral wherever it may be located by any method permitted by law and the Debtor agrees upon request from the Secured Party or any such Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
- (f) any Receiver will have the power:
  - (i) to take possession of any Collateral and for that purpose to take any proceedings, in the name of the Debtor or otherwise;
  - (ii) to carry on or concur in carrying on the business of the Debtor;
  - (iii) to sell or lease any Collateral by deferred payment or otherwise;
  - (iv) to make any arrangement or compromise which he may think expedient in the interest of the Secured Party;
  - (v) to pay all liabilities and expenses connected with the Collateral, including the cost of insurance and payment of taxes or other charges incurred in obtaining, maintaining possession of and preserving the Collateral, and the same shall be added to the Indebtedness and secured by the Collateral;
  - (vi) to hold as additional security any increase or profits resulting from the Collateral;
  - (vii) to exercise all rights the Secured Party has under this Security Agreement, other agreements between the Debtor and Secured Party, or otherwise at law;

- (viii) with the consent of the Secured Party in writing, to borrow money for the purpose of carrying on the business of the Debtor or for the maintenance of the Collateral or any part thereof or for other purposes approved by the Secured Party, and any amount so borrowed together with interest thereon shall form a charge upon the Collateral in priority to the Security Interest created by this Agreement;
- (xi) to enter into and to occupy any premises in which the Debtor has any interest;
- (g) the Debtor hereby appoints each Receiver appointed by the Secured Party to be its attorney to effect transfer, sale, lease or other disposition of any Collateral and any deed, lease, agreement or other document signed by a Receiver under his seal pursuant hereto will have the same effect as if it were under the seal of the Debtor;
- (h) neither the Secured Party, the Receiver or the Sheriff will be required to take any steps to preserve any rights against other parties pursuant to any chattel paper, security, or instrument constituting the Collateral or any part of it;
- (i) neither the Secured Party, the Receiver or the Sheriff is required to keep Collateral identifiable;
- (j) the Secured Party may use the Collateral in any manner as it in its sole discretion deems advisable.

## 11. SECURITIES

If Collateral at any time includes securities, the Debtor irrevocably authorizes and appoints the Secured Party as its attorney and agent to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear on record as the sole owner thereof; provided that, until Default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such securities. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or to its order as aforesaid shall thereafter be effective.

## 12. COSTS AND EXPENSES

The Debtor agrees to pay all costs, charges and expenses incurred by the Secured Party or any Receiver appointed by it (including, but without restricting the generality of the foregoing, legal fees as between a solicitor and client on a full indemnity basis), in preparing, registering or enforcing this Agreement, taking custody of, preserving, repairing, maintaining, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting the Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it shall be a first charge on the proceeds of realization, collection, or disposition of Collateral and shall be secured hereby.

13. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Secured Party to file such financing statements and other documents and do such acts, matters, and things as the Secured Party may deem appropriate to perfect and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints the Secured Party or its agent the true and lawful attorney of the Debtor, with the full power of substitution, to do any of the foregoing in the name of the Debtor whenever and where in the sole discretion of the Secured Party it may be deemed necessary or expedient.
- (b) Without limiting any other rights or the Secured Party, whenever the Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable, whether or not it has so declared, the Secured Party may, in its sole discretion, set off the Indebtedness or any portion thereof against any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though such set off may only subsequently entered in the Secured Parties records.
- (c) The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties, guarantors, and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's rights to hold and realize the Security Interest. Furthermore, the Secured Party may demand, collect and sue on the Collateral in either the Debtor's or the Secured Party's name at the Secured Party's option, and may endorse the Debtor's name or any and all cheques, commercial paper, and other instruments pertaining to or constituting Collateral.
- (d) No delay or omission by the Secured Party in exercising any right or remedy under this Security Agreement or with respect to the Indebtedness or any portion thereof shall operate as a waiver of any of the Secured Party's rights or remedies, and no single or partial exercise thereof shall preclude any other right or remedy. Furthermore, the Secured Party may but is not obligated to remedy any default by the Debtor under this Security Agreement in any reasonable manner without waiving the default remedies and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

- (f) This Security Agreement shall not be assignable by the Debtor without the prior written consent of the Secured Party, which consent may be arbitrarily withheld.
- (g) Any case where more than one (1) Debtor executes this Security agreement the obligation of such Debtors hereunder shall be joint and several.
- (h) This Security Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party.
- (i) The headings used in this Security Agreement are for convenience only and are not to be considered a part of the Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (j) The Security Interest created hereby is intended to attach upon the execution of this Security Agreement, except that, in respect of after-acquired property subject to the Security Interest, attachment shall occur forthwith upon the Debtor acquiring its interest and rights thereto, and the Debtor and the Secured Party agree that value has been given by the Secured Party to the Debtor.
- (k) Whenever the singular number and masculine gender, respectively, are used in this Security Agreement, the same shall be construed as meaning and including the plural and/or feminine or neutral gender, respectively, if the context so requires.
- (l) Any provision of this Security Agreement which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- (m) This Security Agreement contains the entire agreement between the parties relating to the Security Interests granted herein. Any modification of this Security Agreement or waiver of any provision herein contained shall not be binding unless in writing and signed by the Secured Party and the Debtor. This Security Agreement shall continue in effect until the obligations hereunder are satisfied and the indebtedness paid in full.
- (n) Nothing herein shall obligate the Secured Party to make any advance or loan or further advance or extend credit to the Debtor.
- (o) The Secured Party shall be entitled to charge the Debtor a \$100.00 additional charge for every payment made by the Debtor to the Secured Party that is dishonoured.

14. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Security Agreement.

15. NOTICES

Any demand, notice or other communication to be given in connection with this Security Agreement shall be given in writing and delivered or mailed, postage prepaid, to the Debtor at:

108, 5207 Power Centre Boulevard, Drayton Valley, AB

and to the Secured Party at:

c/o 500, 707 - 7th Avenue S.W., Calgary, Alberta T2P 3H6

16. GOVERNING OF LAW

This Security Agreement shall be deemed conclusively to be a contract made in the Province of Alberta and shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, and each of the parties irrevocably attorns to the jurisdiction of the Courts of Alberta.

IN WITNESS WHEREOF, the debtor(s) has/have hereunto signed her/his/its name and seal as of the day and year first written above.

985842 Alberta Ltd.

PER:  c/s  
Faissal Mouhamad

**SCHEDULE "A" TO SECURITY AGREEMENT**

DATED THIS 20 DAY OF July, A.D. 2020.

All present and after acquired personal property of the debtor, including but not limited to all personal property located at the following property municipally described as

108, 5207 Power Centre Boulevard, Drayton Valley, AB

and legally described as:

Plan 0721291

Block 102

Lot 14

Excepting thereout all mines and minerals



**Hendrix Law**   
est. 1986

August 24, 2020

Our File No: 44964

Via Courier

**Barristers & Solicitors**  
#500, 707 - 7 Avenue SW  
Calgary, Alberta, T2P 3H6  
**Phone:** 403-269-9400  
**Toll Free:** 1-855-580-9400  
**Fax:** 403-266-2447

**Warren Sinclair LLP**  
600, 4911 - 51 Street  
Red Deer, Alberta  
T4N 6V4

**Attention: Paul Rattan**

Dear Sir:

**Re: 985842 Alberta Ltd. and Faissal Mouhamad as Guarantor**  
**First Mortgage to 1193770 Alberta Ltd.**  
**108, 5207 Power Centre Boulevard, Drayton Valley, AB**

This is Exhibit " C " referred to in the  
**Affidavit of**  
Jure Jovica

Sworn before me this 9th day of  
February A.D. 20 23

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

DARRELL S. COHEN - Barrister & Solicitor

Further to the above please find enclosed the following:

1. Our Statement of Account for Services rendered;
2. Our Statement of Receipts and Disbursements;
3. Our firm trust cheque in the sum of \$788,976.88.

The above funds are provided to you in trust on the condition that you make no use of same whatsoever until such time as we have been provided with the following:

1. Your written confirmation that you have made the net (balance of the) mortgage proceeds payable to the title holders after payment of real property taxes, prior registered encumbrances, execution creditors, insurance and any other matters you are in trust to pay.

The above funds are further forwarded to you in trust on the condition that you comply with any outstanding requirements of our original letter and provide to our office within a reasonable period of time and in any event no later than 45 days from the date hereof with that compliance, including but not limited to, the following:

1. Certified Copy of Title to the Primary Security evidencing registration of our client's mortgage as First financial charge and Assignment of Rents and Leases as the next financial charge; and
2. Certified Copy of Title to the Colateral Security evidencing registration of our client's mortgage as Second financial charge and Assignment of Rents and Leases as the next financial charge.

If for any reason you are unable or unwilling to comply with the above trust condition you are to immediately return the funds unused to our office within



48 hours. If funds are kept more than 24 hours you are deemed to have accepted our trust conditions and agreed to be bound by same.

Further, if for any reason you have not submitted documents for registration at Land Titles within 24 hours of your receipt of this letter, you are to immediately return the funds unused to our office.

Please note as funds have been made available to your client as per your request for funds, your client(s) are liable for all costs and charges deducted from the mortgage proceeds and interest accruing on the mortgage should the funds be returned.

Yours very truly,

**Hendrix Law**

Per:

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

**Brian Twerdoff**

BT/cj

encls.



**Hendrix Law**

Barristers & Solicitors  
#500, 707 - 7<sup>th</sup> Avenue SW.  
Calgary, Alberta,  
T2P 3H6

Phone: 403-269-9400  
Toll Free: 1-855-580-9400  
Fax: 403-266-2447

Email:  
dhendrix@hendrixlaw.ca

August 24, 2020

Our File No: 44964  
GST #82892 1965 RT0001  
Invoice #33784  
Via Email

985842 Alberta Ltd.  
108, 5207 Power Centre Boulevard  
Drayton Valley, AB

Attention: Faissal Mouhamad:

Re: **First Mortgage to 1193770 Alberta Ltd.**  
**108, 5207 Power Centre Boulevard, Drayton Valley, AB**

**TO ALL PROFESSIONAL SERVICES RENDERED IN RELATION TO  
THE ABOVE CAPTIONED TRANSACTION:**

	<b>FEE</b>	<b>GST</b>	<b>TOTAL</b>
OUR FEE:	\$2,500.00	\$125.00	\$2,625.00

<b>OTHER CHARGES</b>	<b>FEE</b>	<b>GST</b>	<b>TOTAL</b>
To paid photocopies	\$136.50	\$6.83	\$143.33
To paid telecopier & scanning transmissions	\$28.50	\$1.43	\$29.93
To paid storage	\$12.00	\$0.60	\$12.60
Subtotals	\$177.00	\$8.86	\$185.86

<b>DISBURSEMENTS</b>	<b>FEE</b>	<b>GST</b>	<b>TOTAL</b>
To paid search of title	\$10.00	\$0.00	\$10.00
To paid long distance fax & phone charges	\$12.85	\$0.64	\$13.49
To paid tax search	\$7.00	\$0.35	\$7.35
To Paid KVP	\$32.00	\$1.10	\$33.10
To paid long distance fax & phone	\$21.35	\$1.07	\$22.42
To paid courier charges	\$110.50	\$6.63	\$117.13
To paid postage and ADX charges	\$8.35	\$0.42	\$8.77

<b>DISBURSEMENTS</b>	<b>FEE</b>	<b>GST</b>	<b>TOTAL</b>
Subtotals	\$202.05	\$10.21	\$212.26


TOTAL FEES: \$2,500.00

TOTAL DISBURSEMENTS: \$379.05

TOTAL GST: \$144.07

**TOTAL ACCOUNT** \$3,023.12

THIS IS OUR ACCOUNT HEREIN:  
Hendrix Law

PER:   
Brian Twerdoff

BT/cj

E. & O. E.

STATEMENT OF RECEIPTS AND DISBURSEMENTS


Borrower(s): 985842 Alberta Ltd.  
Re: First Mortgage in the sum of \$ 800,000.00  
Lender: 1193770 Alberta Ltd.

---

	Received	Disbursed
Received from 1193770 Alberta Ltd.	\$ 800,000.00	
Paid to 1193770 Alberta Ltd. - lender fee		\$ 8,000.00
Paid to Hendrix Law fees & disbursements		\$ 3,023.12
Balance herewith to <b>Warren Sinclair LLP</b>		\$ 788,976.88
	<hr/> <hr/> \$800,000.00	<hr/> <hr/> \$800,000.00

This is our Statement of  
Receipts and Disbursements  
August 24, 2020

Hendrix Law

Per:   
Brian Twerdoff  
BT/ cj

HENDRIX LAW BARRISTERS AND SOLICITORS  
TRUST ACCOUNT

CHEQUE NO. 034068

Date 08/24/2020  
Payee WARREN SINCLAIR LLP, IN TRUST  
Description WARREN SINCLAIR LLP, IN TRUST PAYMENT  
Number 34068  
Amount 788,976.88

Client / G/L	Amount	Client / G/L	Amount	Client / G/L	Amount
44964 /	788,976.88				

THIS DOCUMENT CONTAINS SECURITY FEATURES - SEE REVERSE



HENDRIX LAW BARRISTERS AND SOLICITORS

#500, 707 - 7th AVENUE SW  
CALGARY, ALBERTA T2P 3H6  
Tel: 403-269-9400

Hendrix Law  
est. 1986



CANADIAN IMPERIAL BANK OF COMMERCE  
309 8TH AVE SW, BOX 2585  
CALGARY, AB T2P 2P2

034068

0 8 2 4 2 0 2 0

Date M M D D Y Y Y Y

PAY \*\*\*\* SEVEN HUNDRED EIGHTY EIGHT THOUSAND NINE HUNDRED SEVENTY SIX and 88/100 dollars

\$788,976.88

WARREN SINCLAIR LLP, IN TRUST

TO THE  
ORDER  
OF

HENDRIX LAW BARRISTERS AND SOLICITORS  
TRUST ACCOUNT

PER: 

PER: 

⑈034068⑈ ⑆00009⑈010⑆ 55⑈27910⑈



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0032 255 698 0721291;102;14 122 161 801

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

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;7;49;17;SW

MUNICIPALITY: TOWN OF DRAYTON VALLEY

REFERENCE NUMBER: 082 034 088

This is Exhibit " D " referred to in the
Affidavit of
Jure Jovica

Sworn before me this 9th day of
February A.D. 20 23

Notary Public, A Commissioner for Oaths in
and for the Province of Alberta
DARRELL S. COHEN - Barrister & Solicitor

Table with 5 columns: REGISTRATION, DATE (DMY), REGISTERED OWNER(S), DOCUMENT TYPE, VALUE, CONSIDERATION. Row 1: 122 161 801, 25/05/2012, TRANSFER OF LAND, \$750,000, \$750,000

OWNERS

985842 ALBERTA LTD.
OF C/O 7151-50 AVENUE
RED DEER
ALBERTA T4N 4E4

(DATA UPDATED BY: CHANGE OF ADDRESS 222066417)

ENCUMBRANCES, LIENS & INTERESTS

Table with 3 columns: REGISTRATION NUMBER, DATE (D/M/Y), PARTICULARS. Rows include utility rights and easements for ATCO Gas and Pipelines Ltd. and The Town of Drayton Valley.

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 2  
# 122 161 801

REGISTRATION

NUMBER	DATE (D/M/Y)	PARTICULARS
		AS TO PORTION OR PLAN:0520040 AREAS A,B,C,D,E,F,G,U
052 003 265	05/01/2005	UTILITY RIGHT OF WAY GRANTEE - FORTISALBERTA INC. AS TO PORTION OR PLAN:0520040 AREAS B,C,U
052 030 033	24/01/2005	CAVEAT RE : EASEMENT , ETC.
052 045 234	03/02/2005	POSTPONEMENT OF EASE 052003262 TO CAVE 052030033
052 190 900	17/05/2005	EASEMENT AS TO PORTION OR PLAN:0520040 AS TO AREAS B, C & L "OVER PLAN 0520039 BLOCK 102 LOT 2"
052 245 797	21/06/2005	EASEMENT "OVER SW 17-49-7-5 AS TO PLAN 0520040 AREAS "B" "J" & "L"
052 275 197	08/07/2005	RESTRICTIVE COVENANT
052 275 200	08/07/2005	CAVEAT RE : EASEMENT AND RESTRICTIVE COVENANT
052 308 371	27/07/2005	POSTPONEMENT OF EASE 052003262 TO CAVE 052275200
082 034 087	22/01/2008	PARTY WALL AGREEMENT
082 034 089	22/01/2008	RESTRICTIVE COVENANT
082 034 090	22/01/2008	RESTRICTIVE COVENANT
202 164 797	11/08/2020	CERTIFICATE OF LIS PENDENS BY - MAHMOUD MOHAMAD SEE INSTRUMENT FOR INTEREST
202 165 891	12/08/2020	MORTGAGE MORTGAGEE - 1193770 ALBERTA LTD. C/O 500, 707 7 AVE SW CALGARY ALBERTA T2P3H6 ORIGINAL PRINCIPAL AMOUNT: \$800,000
202 165 892	12/08/2020	CAVEAT

( CONTINUED )

-----  
ENCUMBRANCES, LIENS & INTERESTS

PAGE 3  
# 122 161 801

REGISTRATION

NUMBER      DATE (D/M/Y)      PARTICULARS

-----

RE : ASSIGNMENT OF RENTS AND LEASES  
CAVEATOR - 1193770 ALBERTA LTD.  
C/O 500, 707 7 AVE SW  
CALGARY  
ALBERTA T2P3H6  
AGENT - BRIAN TWERDOFF

222 066 418      21/03/2022 MORTGAGE  
MORTGAGEE - GHALIB HADI  
7151-50TH AVE  
RED DEER  
ALBERTA T4N4E4  
ORIGINAL PRINCIPAL AMOUNT: \$800,000

222 066 419      21/03/2022 CAVEAT  
RE : ASSIGNMENT OF RENTS AND LEASES  
CAVEATOR - GHALIB HADI  
C/O ALTALAW LLP  
5233 49TH AVE  
RED DEER  
ALBERTA T4N6G5  
AGENT - N LOCKE RICHARDS

222 223 931      06/10/2022 CERTIFICATE OF LIS PENDENS  
BY - MAHMOUD MOHAMAD  
CONSTRUCTIVE TRUST, ETC.

TOTAL INSTRUMENTS: 020

-----  
PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	CORPORATE LLP TRADENAME	LAND ID
D00CERH	07/11/2022	MCMILLAN LLP 403-531-4716 CUSTOMER FILE NUMBER: 293571 (PREET)	
001		ORDER - ENDORSEMENT	0721291;102;14

TOTAL PENDING REGISTRATIONS: 001



THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN  
ACCURATE REPRODUCTION OF THE CERTIFICATE OF  
TITLE REPRESENTED HEREIN THIS 8 DAY OF  
DECEMBER, 2022 AT 10:07 A.M.

ORDER NUMBER: 46036551

CUSTOMER FILE NUMBER: 214-213293



\*END OF CERTIFICATE\*

---

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

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

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

Search ID #: Z15702996

**Transmitting Party**

DUNCAN CRAIG LLP

2800 SCOTIA PLACE 10060 JASPER AVE  
EDMONTON, AB T5J 3V9

Party Code: 50001320  
Phone #: 780 428 6036  
Reference #: 213293

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

**Business Debtor Search For:**

985842 ALBERTA LTD.

Exact Result(s) Only Found

**NOTE:**

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

This is Exhibit " E " referred to in the  
Affidavit of

Jure Jovica

Sworn before me this 9th day of

February

A.D. 20<sup>23</sup>

**~~A Notary Public~~, A Commissioner for Oaths in  
and for the Province of Alberta**

DARRELL S. COHEN - Barrister & Solicitor



Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 15081313819

Registration Date: 2015-Aug-13

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Aug-13 23:59:59

---

Exact Match on: Debtor No: 1

---

**Amendments to Registration**

20062227077

Renewal

2020-Jun-22

---

**Debtor(s)**

**Block**

**Status**  
Current

1 985842 ALBERTA LTD  
5018 45 ST, SUITE 101  
RED DEER, AB T4N 1K9

---

**Secured Party / Parties**

**Block**

**Status**  
Current

1 BANK OF MONTREAL/BANQUE DE MONTREAL  
2ND FLOOR, 234 SIMCOE ST.  
TORONTO, ON M5T 1T4

---

**Collateral: General**

**Block**

**Description**

**Status**  
Current

1 GIC 0551-9797-653 IAO \$37500.00

Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 15081313835

Registration Date: 2015-Aug-13

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2025-Aug-13 23:59:59

---

Exact Match on: Debtor No: 1

---

**Amendments to Registration**

20050131632

Renewal

2020-May-01

---

**Debtor(s)**

**Block**

**Status**  
Current

1 985842 ALBERTA LTD  
5018 45 ST, SUITE 101  
RED DEER, AB T4N 1K9

---

**Secured Party / Parties**

**Block**

**Status**  
Current

1 BANK OF MONTREAL/BANQUE DE MONTREAL  
2ND FLOOR, 234 SIMCOE ST.  
TORONTO, ON M5T 1T4

---

**Collateral: General**

**Block**

**Description**

**Status**  
Current

1 GIC 0551-9797-653 IAO \$143640.00

Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 16081905158

Registration Date: 2016-Aug-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Aug-19 23:59:59

---

Exact Match on: Debtor No: 1

---

**Amendments to Registration**

21073032629

Renewal

2021-Jul-30

---

**Debtor(s)**

**Block**

**Status**

1 985842 ALBERTA LTD  
SUITE 101 5018 45 STREET  
RED DEER, AB T4N 1K9

Current

**Secured Party / Parties**

**Block**

**Status**

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4

Current

**Collateral: General**

**Block**

**Description**

**Status**

1	PRIORITY AGREEMENT DATED AUGUST 12 2016 BETWEEN BANK OF	Current
2	MONTREAL AND ROYAL BANK OF CANADA IN FAVOUR OF SECURITY	Current
3	AGREEMENT BETWEEN ROYAL BANK OF CANADA AND 985842 ALBERTA	Current
4	LTD, REG 16080309153	Current

Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 18042545916

Registration Date: 2018-Apr-25

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2023-Apr-25 23:59:59

---

Exact Match on: Debtor No: 1

---

**Amendments to Registration**

22081811233

Amendment

2022-Aug-18

---

**Debtor(s)**

**Block**

1 985842 ALBERTA LTD.  
7151 50 AVE  
RED DEER, AB T4N 4E4

**Status**  
Current

**Block**

2 DELTA DENTAL CORP.  
202 - 4921 49 STREET  
RED DEER, AB T4N 1V2

**Status**  
Current by  
22081811233

**Block**

3 52 DENTAL CORPORATION  
202 - 4921 49 STREET  
RED DEER, AB T4N 1V2

**Status**  
Current by  
22081811233

**Block**

4 52 WELLNESS CENTER INC.  
600, 4911 51 STREET  
RED DEER, AB T4N 6V4

**Status**  
Current by  
22081811233

**Block**

5 AHMAD, FETOUN  
52-26534 TOWNSHIP ROAD 384  
RED DEER COUNTY, AB T4E1A1

**Status**  
Current by  
22081811233

Search ID #: Z15702996

**Block**

6 AHMED, FETOUN  
52-26534 TOWNSHIP ROAD 384  
RED DEER COUNTY, AB T4E1A1

**Status**

Current by  
22081811233

**Block**

7 MICHAEL DAVE MANAGEMENT LTD  
600, 4911 51 STREET  
RED DEER, AB T4N 6V4

**Status**

Current by  
22081811233

**Block**

8 PARADISE MCIVOR DEVELOPMENTS LTD.  
600, 4911 51 STREET  
RED DEER, AB T4N 6V4

**Status**

Current by  
22081811233

**Secured Party / Parties**

**Block**

1 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4

**Status**

Deleted by  
22081811233

**Block**

2 ROYAL BANK OF CANADA  
36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO, ON M2P 0A4  
Email: torbscpr@rbc.com

**Status**

Current by  
22081811233

**Collateral: General**

**Block**

**Description**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

**Status**

Current

2 THIS REGISTRATION IS A RE-REGISTRATION PURSUANT TO SECTION

Current

3 35(7) AND 35(8) OF THE PERSONAL PROPERTY SECURITY ACT

Current

4 RELATING TO REGISTRATION NO. 16080309153 DATED AUGUST 3,

Current

5 2016, ERRONEOUSLY DISCHARGED ON APRIL 19, 2018.

Current

Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 19101647977

Registration Date: 2019-Oct-16

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2029-Oct-16 23:59:59

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

1 985842 ALBERTA LTD.  
202, 4921 - 49 STREET  
RED DEER, AB T4N 1V2

**Status**  
Current

**Secured Party / Parties**

**Block**

1 JOVICA PROPERTY MANAGEMENT LTD.  
C/O 500, 707 - 7 AVENUE S.W.  
CALGARY, AB T2P 3H6

**Status**  
Current

**Block**

2 SOLAR STAR HOLDINGS INC.  
C/O 500, 707 - 7 AVENUE S.W.  
CALGARY, AB T2P 3H6

**Status**  
Current

**Collateral: General**

**Block**

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

**Status**  
Current



Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 20072816823

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Jul-28

Registration Status: Current

Expiry Date: 2030-Jul-28 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 985842 ALBERTA LTD.  
108, 5207 POWER CENTRE BOULEVARD  
DRAYTON VALLEY, AB

Current

**Secured Party / Parties**

**Block**

**Status**

1 1193770 ALBERTA LTD.  
C/O 500, 707 - 7TH AVENUE S.W.,  
CALGARY, AB T2P 3H6  
Phone #: 403 269 9400 Fax #: 403 266 2447  
Email: btwerdoff@hendrixlaw.ca

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR,  
INCLUDING, BUT NOT LIMITED TO ALL PERSONAL PROPERTY LOCATED AT THE  
FOLLOWING PROPERTY MUNICIPALLY DESCRIBED AS:  
108, 5207 POWER CENTRE BOULEVARD, DRAYTON VALLEY, ALBERTA  
AND LEGALLY DESCRIBED AS:  
PLAN 0721291, BLOCK 102, LOT 14, EXCEPTING THEREOUT ALL MINES AND  
MINERALS

Current

Search ID #: Z15702996

**Business Debtor Search For:**

985842 ALBERTA LTD.

Search ID #: Z15702996

Date of Search: 2022-Dec-21

Time of Search: 08:16:21

---

Registration Number: 21081933272

Registration Date: 2021-Aug-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Aug-19 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 985842 ALBERTA LTD.  
600, 4911 - 51 STREET  
RED DEER, AB T4N 6V4

Current

**Secured Party / Parties**

**Block**

**Status**

1 THE BANK OF NOVA SCOTIA  
4715 TAHOE BOULEVARD  
MISSISSAUGA, ON L4W 0B4  
Email: bsc@scotiabank.com

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ANY AND ALL PRESENT AND FUTURE ACCOUNTS, MONIES AND ALL OTHER INDEBTEDNESS, OBLIGATIONS, AND LIABILITIES OF ANY KIND, DIRECT OR INDIRECT, ABSOLUTE OR CONTINGENT, JOINT OR SEVERAL OF 52 WELLNESS CENTRE INC. WHICH ARE NOW OR HEREAFTER OWED TO THE DEBTOR AND ALL INSTRUMENTS, DOCUMENTS, AGREEMENTS, CHOSES IN ACTION, CLAIMS AND/OR DEMANDS IN RESPECT OF THEREOF, OR IN ANY WAY RELATED THERETO.

Current

2 PROCEEDS:  
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Result Complete

Loan Payout Statement for 985842 Alberta Ltd Loan

December 8th, 2022

Below is the current loan statement up to December 17<sup>th</sup>, 2022 for the loan known as “985842 Alberta ltd Loan”, lent out by 1193770 Alberta Ltd.

Properties:

1<sup>st</sup> mortgage charge on #108 5207 Power Centre Boulevard, Drayton Valley, AB  
Legal: Plan 0721291, Block 102, Lot 14

2<sup>nd</sup> mortgage charge on personal residence in Red Deer:  
Legal: Qtr NE, Sec 30, Twp 38, Rng 26, Mer 4 Plan 0120803, Block 3, Lot 2A

Loan commencement Date: July 17, 2020

The current interest rate is: 10.0% compounding monthly

Current Loan Principle: \$816,080.00

September 17<sup>th</sup> interest: \$6800.67 (822,880.67)  
October 17<sup>th</sup> interest: \$6857.34 (829,738.01)  
November 17<sup>th</sup> interest: \$6914.48 (836,652.49)  
December 17<sup>th</sup> interest: \$6972.10 (843,624.59)

Total outstanding on December 17<sup>th</sup>, 2022: \$843,624.59

1193770 Alberta ltd is to be paid: \$843,624.59

Per Diem: \$231.13 per day.

If you have any other questions or concerns, feel free to contact us.  
Thank you for your time,

Ellis Jovica  
403-604-6759

**This is Exhibit “ F ” referred to in the  
Affidavit of**

Jure Jovica

Sworn before me this 9<sup>th</sup> day of

February A.D. 20 23

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

DARRELL S. COHEN - Barrister & Solicitor

COURT FILE NO. 2203 12557

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton

PLAINTIFF ROYAL BANK OF CANADA

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

DOCUMENT **ORDER RE SALE PROCEEDS FROM SALE OF ASSET OF 985842 ALBERTA LTD.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Darren R. Bieganeck, KC  
Barrister & Solicitor  
Phone: 780.441.4386  
Fax: 780.428.9683  
Email: dbieganeck@dcllp.com  
File # 204- -213643

**DUNCAN CRAIG LLP**  
LAWYERS MEDIATORS  
2800 Rice Howard Place  
10060 Jasper Avenue  
Edmonton, Alberta Canada T5J 3V9

**DATE ON WHICH ORDER WAS PRONOUNCED: FEBRUARY 14, 2023**

**LOCATION OF HEARING: Edmonton, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER: Justice Mah**

UPON THE APPLICATION of the Applicant, 1193770 Alberta Ltd. ("119"); AND UPON having read the Affidavit of the Jure Jovica, filed; AND UPON hearing the submission of counsel for 119 and counsel for the Receiver;

**IT IS HEREBY ORDERED THAT:**

1. Time for service of notice of this application is abridged to time actually given.

Clerk's Stamp

2. The Receiver is ordered to finalize its cost allocation in respect of 985842 Alberta Ltd. after closing the sale of the commercial unit located at 5207 Power Centre Boulevard, Drayton Valley, Alberta (the "DV Unit").
3. The Receiver is directed to provide an accounting of the closing of the DV Unit to counsel for the Applicant, Darren R. Bieganeck, KC of Duncan Craig LLP ("119 Counsel"). The Receiver's allocation will not be considered final until approved by the Court.
4. The Receiver is to provide the net sale proceeds, after deduction of the costs allocated to the DV unit to Duncan Craig LLP, legal Counsel for 119.
5. Duncan Craig LLP shall hold the net sale proceeds in trust, in an interest-bearing account, until an agreement can be reached with Mahmoud Mohamad or further Order of the Court on notice to Mahmoud Mohamad respecting distribution is obtained

---

Justice of the Court of Queen's Bench of Alberta