

COURT FILE NO. 2401 09862

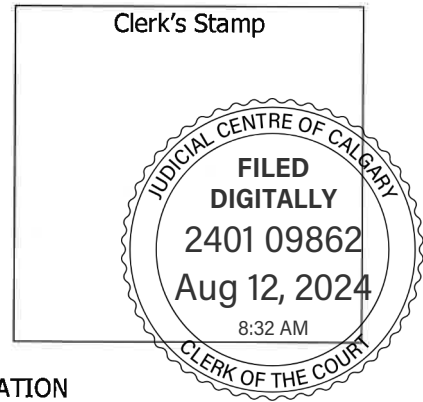
COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONCENTRA FINANCIAL SERVICES ASSOCIATION

DEFENDANT VISTA HEIGHTS MANAGEMENT LIMITED

DOCUMENT **AFFIDAVIT**



| | | |
|---|--|--|
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | McLENNAN ROSS LLP #600 McLennan Ross Bldg 12220 Stony Plain Road Edmonton, AB T5N 3Y4 | Lawyer: Charles P. Russell, K.C. Telephone: (780) 482-9115 Fax: (780) 733-9757 Email: chuck.russell@mross.com File No.: 20240927 |
|---|--|--|

AFFIDAVIT OF ROBERT GARTNER SWORN ON THE 6th DAY OF August JULY, 2024

I, ROBERT GARTNER, of the City of Regina, in the Province of Saskatchewan, SWEAR AND SAY THAT:

1. I am employed by the Plaintiff, Concentra Financial Services Association ("**Concentra**"), in the capacity of Assistant Vice President, Special Asset Management, and, as such, have a personal knowledge of the matters hereinafter deposed to save where stated to be based upon information and belief.
2. I have informed myself from books or records maintained by Concentra and where I have done so, I swear that, to the best of my knowledge:
 - (a) these books or records were part of Concentra's ordinary books or records;
 - (b) any entries in these books or records were made in the usual and ordinary course of Concentra's business;
 - (c) these books and records were, and are, in the custody and control of Concentra, and
 - (d) any copies of these books or records appended to this Affidavit are true copies thereof.

I believe the information set out in Concentra's records concerning the Defendant to be true.

3. I am authorized to make this Affidavit on behalf of Concentra.
4. The Defendant, Vista Heights Management Limited (the "**Borrower**"), is a corporation incorporated pursuant to the laws of Alberta, carrying on business as the owner of commercial and office space in Calgary, Alberta. Attached hereto and marked as **Exhibit "A"** is a true copy of Alberta Corporate Registry search on the Borrower.

5. The Borrower's primary asset is an office building in Northeast Calgary referred to as the Vista Heights Office Building. The Vista Heights Office Building is comprised of two addresses, building 1933 and building 1925, as well as a 763-stall parking facility comprised of a large outdoor parking lot and smaller indoor parkade. Building 1933 is a 2-storey office building, and building 1925 is a 4-storey office building. In total, the Vista Heights Office Building has a net rentable area of 196,457 square feet. The Vista Heights Office Building is of good condition. Attached hereto and marked as **Exhibit "B"** is an excerpt of an independent appraisal conducted on the Vista Heights Office Building (values redacted).
6. As at December 21, 2023, the Vista Heights Office Building showed a vacancy rate of 64.88%, but it is noted that several large tenants' leases will be expiring shortly, which may increase the vacancy rate. There are many tenants of various sizes and special needs. Three tenants have registered lease interest caveats against the lands on which the Vista Heights Office Building is located, with two such caveats being registered against the lands in advance of Concentra's own registrations. Attached hereto and marked as **Exhibit "C"** is a true copy of excerpts from a recent overview of the Vista Heights Office Building.
7. Pursuant to a Credit Agreement dated June 20, 2013 (the "**Credit Agreement**") issued by Concentra to the Borrower, Concentra agreed to provide financing to the Borrower (the "**Loans**"), in exchange for regularly scheduled repayments and financial reporting. The maturity date of the Loans was November 26, 2022, after which point the entire principal sum of the Loans fell due. Attached hereto and marked, collectively, as **Exhibit "D"** is a true copy of the Credit Agreement, Mortgage Renewal and associated Tranche Letter setting out the maturity date of the loans.

8. As at July 9, 2024, the amounts owed by the Borrower to Concentra were as follows:

| | |
|--------------------|-------------------------------|
| Loan 833400011114 | \$25,240,346.83 |
| Loan 833400017475 | \$1,354,940.36 |
| Total Indebtedness | <u>\$26,595,287.19</u> |

plus further amounts owed in respect of costs and expenses incurred by Concentra including costs on a solicitor and own client full indemnity basis and further accruing interest (the "**Debt**") and copies of payout statements are attached hereto and marked, collectively, as **Exhibit "E"**.

9. As security for payment of the Debt, The Borrower has provided to Concentra the following securities:
 - (a) A site-specific General Security Agreement registered on June 24, 2013 (the "**GSA**"), a true copy of which is attached hereto and marked as **Exhibit "F"**;
 - (b) A Mortgage dated June 27, 2013 (the "**Mortgage**") made under the *Land Titles Act* and registered with the Land Titles Office for the Alberta Land Registration District as instrument No. 131 153 901, charging the following lands, referred to above as the Vista Heights Office Building, namely:

PLAN 7610289
BLOCK A
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

(the "**Lands**"), for securing payment of the sum of \$34,200,000.00, together with interest at a rate of 4.5% per annum. A true copy of the Mortgage is attached hereto and marked as **Exhibit "G"**;

- (c) A General Assignment of Rents and Leases registered by Caveat on June 27, 2013 in the Alberta Land Titles Office as instrument no. 131 153 902, by which the Borrower assigned to Concentra all rents due or accruing from the Lands, a true copy of which is attached hereto and marked as **Exhibit "H"**;
- (d) An Assignment of the parking license granted to the Borrower by the City of Calgary via a series of assignments by other parties dated July 23, 2013 a true copy of which is attached hereto and marked as **Exhibit "I"**; and
- (e) A Share Pledge Agreement granted to Concentra by the shareholders of the Borrower granting Concentra a security interest in the shares of the Borrower in the event of a default under the terms of the Credit Agreement, a true copy of which is attached hereto and marked as **Exhibit "J"**;

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

- 10. The Security has been registered in accordance with the laws of the Province of Alberta and attached hereto and marked as **Exhibit "K"** are a true copies of an Alberta Personal Property Registry search and Land Titles search conducted with respect to the Borrower and the Lands.
- 11. According to the terms of the Mortgage and Credit Agreement, the Borrower was to make monthly payments on the Loans, and was to repay the entirety of the Debt by the maturity date of June 26, 2020 set out in the Tranche Letter, as amended to November 26, 2022 by the Mortgage Renewal (the "**Maturity Date**").
- 12. The Borrower has defaulted in the terms of the Commitment Letter and the Security, including, but not limited to a failure to meet payment terms in accordance with Schedule C s. 9(a) of the Credit Agreement, which allows for enforcement of the Security.
- 13. The Borrower has informed Concentra that it is unable to continue to make payments on the Debt. The last payment made to Concentra by the Borrower occurred on December 7, 2023.
- 14. Following the Borrower's defaults, Concentra attempted to accommodate the Borrower by allowing it time to market its assets, find a source of refinancing, or obtain an injection of funds with a view to discharging the Debt. I was personally involved in these conversations with the Borrower and in the decision-making process that led to Concentra postponing enforcement of the Security.
- 15. The Borrower remained in default of the terms of the Credit Agreement and Security.
- 16. On or about March 7, 2024, Concentra issued a demand for payment of the Loans to the Borrower requiring prompt payment of the Debt and informing the Borrower of the impending enforcement of the Security. A Notice of Intention to Enforce Security was enclosed. Attached hereto and marked as **Exhibit "L"** is a true copy of such letter and Notice of Intention to Enforce Security.
- 17. After serving the Demand Letter and Notice of Intention to Enforce Security, Concentra was persuaded by the Borrower to continue to postpone enforcement measures. Concentra then spent several months negotiating with the Borrower in an attempt to come to forbearance terms that were mutually agreeable to both parties.

- 18. The parties failed to arrive at acceptable forbearance terms, but the Borrower has now had the benefit of several additional months to discharge the debt in addition to the long period of forbearance that had already occurred. I was personally involved in the months-long negotiation process.
- 19. The Mortgage provides that on default of the payment of the principal or interest or any monies secured, or any part thereof, the whole principal, interest and other charges payable under the Mortgage shall, at the option of Concentra, become payable, which option Concentra hereby exercises.
- 20. By the terms of the Mortgage, the Borrower covenanted to pay all liens, taxes, rates, charges or encumbrances on the Lands which may fall due or be unpaid, and also to insure the buildings on the Lands against damage by fire, in default of all or any of which Concentra shall have the right to do the same and to add to the Mortgage all costs and expenses incurred by it in that regard, including all costs and expenses as between a solicitor and his own client with respect to any proceedings taken to realize the monies secured by the Mortgage.
- 21. The Mortgage gives Concentra the right to appoint a Receiver and Manager over the assets of the Borrower on the Lands in the event of any default in the terms of the Mortgage, the Credit Agreement, or any of the other Security.
- 22. Concentra has continuously made efforts to accommodate the Borrower, and has engaged in a solution-oriented dialogue with the Borrower therein. The Borrower failed on multiple occasions and in multiple manners to abide by the terms of the Credit Agreement and related Security, despite Concentra's allowances, and is in default of its obligations to Concentra.
- 23. I am not aware of any material reasons outside of the Borrower's control that have led to its defaults. To my knowledge, the acts of default have been caused by the actions and inactions of the Borrower.
- 24. It has come to my attention that the Borrower also owes property tax arrears to the City of Calgary. Attached hereto and marked as **Exhibit "M"** is a true copy of a City of Calgary Tax Search on the Lands.
- 25. I believe that the nature of the Borrower's property is of such complexity that the appointment of a Receiver and Manager is necessary and ideal for the orderly realization of the value of the Borrower's assets.
- 26. As a result of the foregoing, I do verily believe that Concentra's lending position with the Borrower is in serious jeopardy, and that it would be just or convenient for an Order for the appointment of a Receiver and Manager to be granted. BDO Canada Limited has agreed to act in such capacity and attached hereto and marked as **Exhibit "N"** is a true copy of a Consent to Act.
- 27. I make this affidavit in support of an application for appointment of BDO Canada Limited as Receiver and Manager of the Borrower.

SWORN BEFORE ME at the City of Regina,)
 in the Province of Saskatchewan)
 the 6 day of July, 2024)
 _____)
 A Notary Public in and)
 for the Province of Saskatchewan)



ROBERT GARTNER



This is **Exhibit "A"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *SR*



A Notary Public in and for
the Province of Saskatchewan

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

Date of Search: 2024/07/17
 Time of Search: 01:26 PM
 Search provided by: MCLENNAN ROSS LLP
 Service Request Number: 42563858
 Customer Reference Number: 20240927/CPR

Corporate Access Number: 2117450839
Business Number:
Legal Entity Name: VISTA HEIGHTS MANAGEMENT LIMITED

Legal Entity Status: Active
Extra-Provincial Type: Other Prov/Territory Corps
Registration Date: 2013/04/26 YYYY/MM/DD
Date Of Formation in Home Jurisdiction: 2013/04/05 YYYY/MM/DD
Home Jurisdiction: ONTARIO
Home Jurisdiction CAN: 002368081

Head Office Address:
Street: 161 BAY STREET, SUITE 2430
City: TORONTO
Province: ONTARIO
Postal Code: M5J2S1
Email Address: CALGARYCORPORATESERVICES@PARLEE.COM

Primary Agent for Service:

| Last Name | First Name | Middle Name | Firm Name | Street | City | Province | Postal Code | Email |
|-----------|------------|-------------|-------------------|-----------------------------|---------|----------|-------------|-------------------------------------|
| SHAPIRO | RANDY | | PARLEE MCLAWS LLP | 3300, 421 - 7TH AVENUE S.W. | CALGARY | ALBERTA | T2P4K9 | CALGARYCORPORATESERVICES@PARLEE.COM |

Directors:

Last Name: HILSON
First Name: MARK
Street/Box Number: 162 CUMBERLAND STREET, SUITE 300
City: TORONTO
Province: ONTARIO
Postal Code: M5R3N5

Last Name: WEILER
First Name: JOHN
Street/Box Number: 161 BAY STREET, SUITE 2430
City: TORONTO
Province: ONTARIO
Postal Code: M5J2S1

Voting Shareholders:

Last Name: ABACUS REAL ESTATE INVESTMENTS LTD.
Street: 2430 - 161 BAY STREET
City: TORONTO
Province: ONTARIO
Postal Code: M5J2S1
Percent Of Voting Shares: 50

Last Name: ROMSPEN REAL ESTATE EQUITIES LIMITED
Street: 162 CUMBERLAND STREET, SUITE 300
City: TORONTO
Province: ONTARIO
Postal Code: M5R3N5
Percent Of Voting Shares: 50

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

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2024 | 2024/06/05 |

Filing History:

| List Date (YYYY/MM/DD) | Type of Filing |
|------------------------|---|
| 2013/04/26 | Register Extra-Provincial Profit / Non-Profit Corporation |
| 2014/09/10 | Change Attorney |
| 2021/03/28 | Attorney for Service converted to Agent for Service |
| 2024/06/05 | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

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



This is **Exhibit "B"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024.



A Notary Public in and for
the Province of Saskatchewan

Vista Heights Office Building

1925 - 1933 18 Avenue NE
Calgary, AB

Effective Date: February 26, 2020



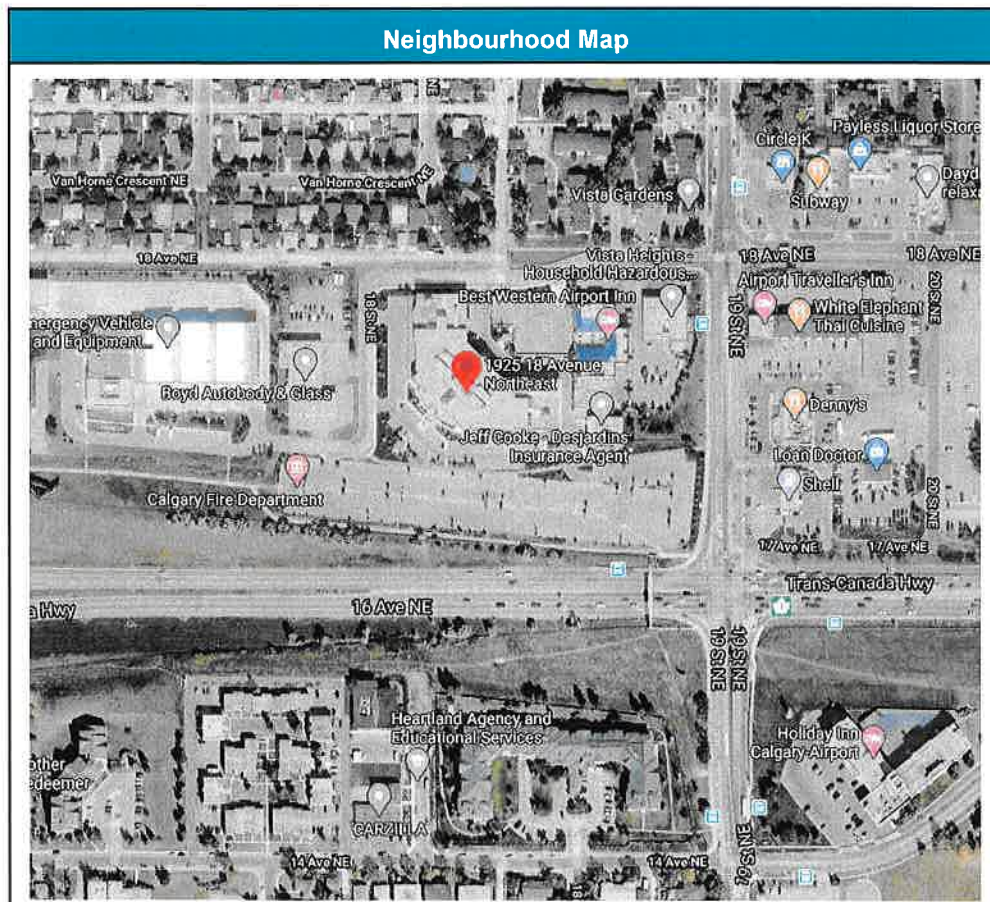
PREPARED FOR

Vista Heights Management Limited c/o Hillcore Real Estate Investments Ltd.
Mr. John Weiler
Chief Operating Officer
Suite 2430, Brookfield Place, TD-Canada Trust Tower
Toronto, ON
M5J 2T3

2 Property Description

2.1 Location Overview

The subject property is located in the northeast community of Vista Heights/South Airways Industrial Park, with direct exposure to 16th Avenue NE (Trans-Canada Highway). A map indicating the exact location of the subject property is contained below. Additional photographs of the subject property and maps are located in the Appendices.



Source: Google Maps

2.1.1 Position and Access

| Property Description – Position and Access | |
|--|--|
| Site Position | Mid-block position |
| Regional / Local Access | Regional access is provided via Deerfoot Trail to the west and 16 th Avenue NE (Trans-Canada Highway) to the south. |

| Property Description – Position and Access | |
|--|---|
| | Local access is provided via 19 th Street NE to the east and 18 th Avenue NE to the north. |
| Public Transit | Calgary Transit bus service is available in close proximity |
| Amenities | Various supporting commercial amenities in the immediate area |
| Surrounding Land Use | Primarily retail/commercial and single-family residential |
| Prominent Tenants in the Vicinity | Crossroads Furniture Mart, Clarion Hotel and Conference Centre, Holiday Inn Calgary Airport, Best Western Airport Inn |

2.1.2 Adjacent Land Uses

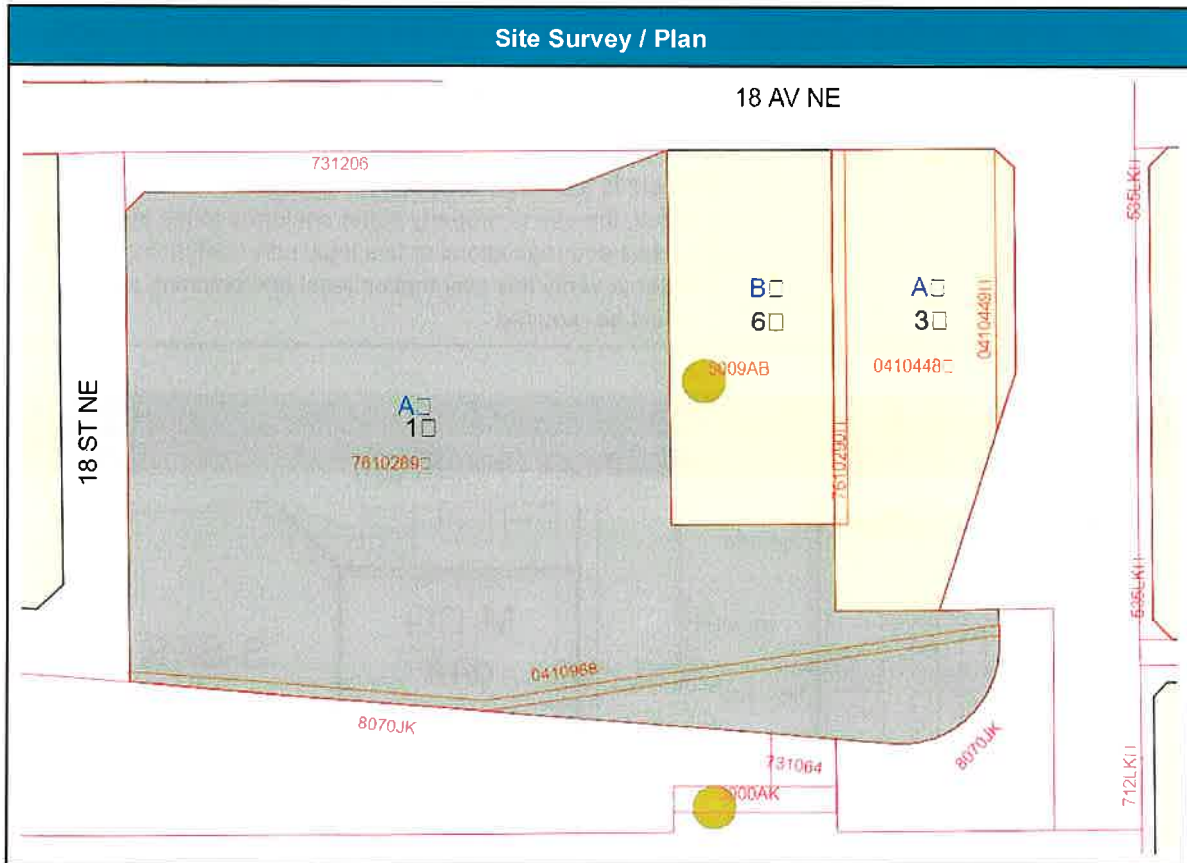
| Property Description – Adjacent Land Uses | |
|---|---|
| North | 18 th Avenue NE, Single family residential |
| South | Parking Lot, 16 th Avenue NE |
| East | Best Western Airport Inn |
| West | 18 Street NE, Boyd Autobody & Glass |

2.2 Site Description

| Property Description - Site Description | |
|---|--|
| Site Area | 4.47 ac |
| Legal Description | Plan 7610289, Block A, Lot 1 |
| Topography | Gently sloping |
| Configuration | Irregular |
| Services | Full services |
| Parking | The subject includes a total of 763 stalls (154 underground stalls, 117 deck stalls and 110 surface stalls), providing a parking ratio of 3.88 stalls per 1,000 sq. ft. There is an existing agreement between the subject property and the City of Calgary to lease adjacent land directly to south of the subject property, which provides 382 surface parking stalls (included in parking total)., details of this agreement are unknown. |

| Property Description - Site Description | |
|---|--|
| Site Improvements | The site is improved with a four-storey office building (1925) and a two storey office building (1933). |
| Legal and Title Limitations | A full search and interpretation of the title are beyond the scope of this appraisal and the report is based on the assumption that there are no material encumbrances that would affect value unless otherwise noted. However, as encumbrances can have a significant impact on the market value and / or marketability, legal advice should be obtained if this assumption is required to be verified. |
| Environmental Limitations | <p>I am not an expert in environmental matters and make no representations regarding them. For the purpose of this report, it is assumed that there is no environmental contamination. In order to verify this assumption, an environmental assessment would be required.</p> <p>As a result of this assumption, the impact on value of contamination, if any, has not been taken into account in this appraisal. If contamination does exist, this could have a negative impact on value.</p> |

2.2.1 Site Survey / Plan

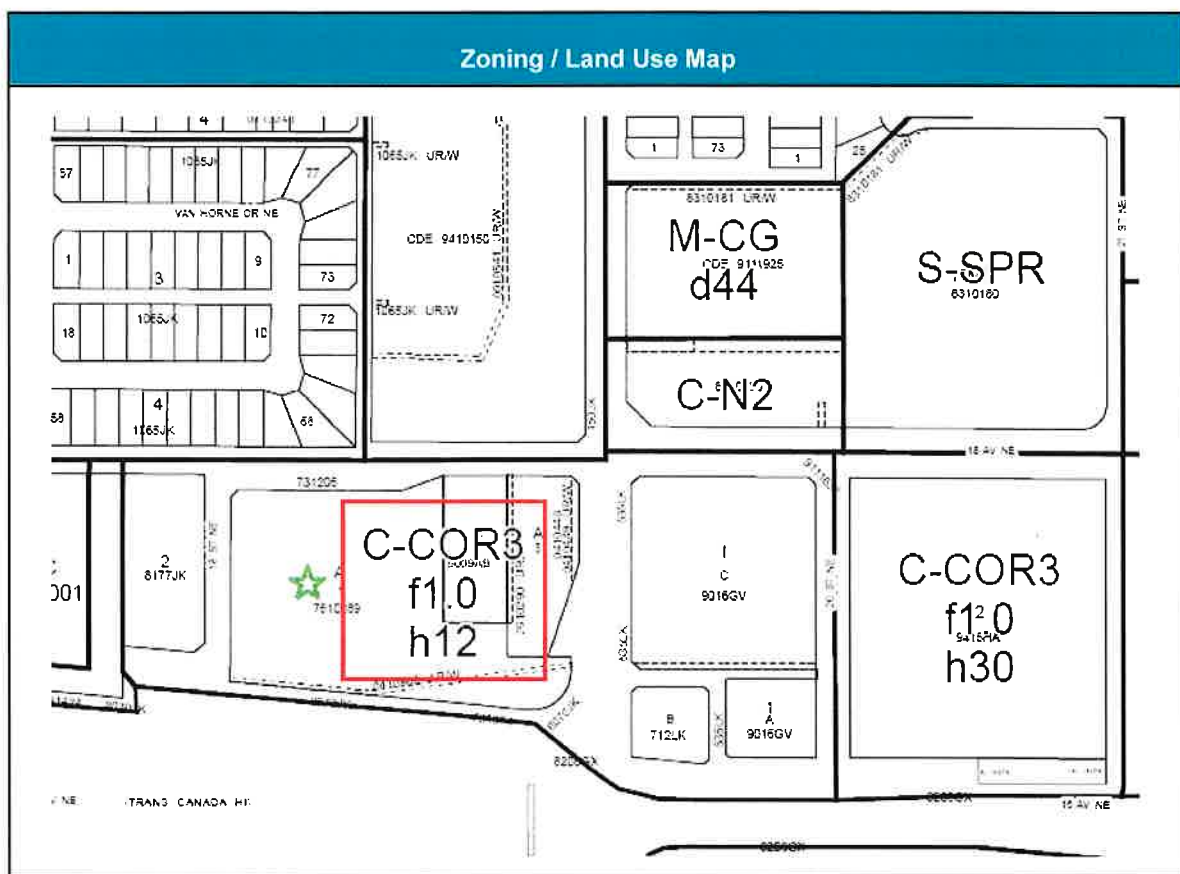


Source: SPIN II

2.3 Land Use Controls

| Property Description – Land Use Controls | |
|--|---|
| Policy Plan Type | Land use bylaw 1P2007 |
| Zoning / Land Use | C-COR3 f1.0h12 (Commercial - Corridor 3) |
| Permitted Uses | Permitted uses include; park, sign, utilities, accessory food service, convenience food store, financial institution, fitness centre, library, medical clinic, restaurant, among other allied uses. |
| Permitted Height | Current zoning controls permit construction of improvements with heights up to 12 metres (39 feet). |
| Allowable Density | The maximum floor area ratio for the subject site is 1.0 |

| Property Description – Land Use Controls | |
|--|--|
| Excess Density / Expansion Potential | Given the buildings position on the site and existing density, the property appears to be effectively built out. Legal and planning advice is advised for certainty |
| Land Use Limitations | For the purpose of this appraisal, the data obtained from others is assumed to be correct and, except to the extent noted, the use of property either conforms to the applicable bylaws and regulations or is a legal non-conforming use. In order to verify this assumption legal and planning advice would be required |



Source: City of Calgary

2.4 Building Description

The following is based on an inspection completed on February 26, 2020 and data obtained from the client:

| Property Description – Building Description | |
|---|---|
| Type | Suburban "Class A" Office |
| Year Built | 2008 (1925 - Office) 2004 (1933- Office) 2009 (Parkade) City of Calgary information indicates the subject's large main building (1925) and smaller building (1933) were both constructed in 2004 with the parkade constructed in 2009. Client data indicates the subject building 1925 was constructed in 2008 and 1933 was constructed in 2004. For the purposes of this analysis, the client's information has been utilized within this report, further due diligence would be required for verification. |
| Number of Storeys | 4 above grade (Building 1925) 2 above grade (Building 1933) |
| Net Rentable Area | 196,457 sf |
| Structure | Structural Steel frame and concrete slab foundation |
| Roof Type | Built-up tar and gravel |
| Exterior Cladding | Prefinished metal panels and glass curtain walls |
| Foundation | Assumed poured concrete |
| Windows | Windows are double glazed |
| Common Areas | Building 1925 is 4-storeys, provides a central entrance from the southerly portion facing the parking lot, which opens to a large atrium with expansive skylights. The building is an L-shaped structure, with a central elevator core and two-wing corridor spine. Building 1933 is 2-storeys and offers a main entrance along the south elevation. The common area finishes include a mix of ceramic and carpet tile flooring, painted drywall perimeters and suspended acoustic tile ceiling, with adequate washrooms provided on each level. The finish is relatively high grade and in good overall condition. |
| Fire & Safety | Only Building 1925 appears to be fully sprinklered |
| Mechanical Systems | The heating source is roof-top units in both buildings, building 1925 includes three boilers. The cooling source is chillers and cooling towers, air volume is variable |
| Electrical | Assumed adequate |
| Functional Utility | The building has good functional utility for office use |
| Condition/Appeal | The condition/appeal of the building is good |

| Property Description – Building Description | |
|---|---|
| Building Description Limitation | A structural survey has not been undertaken, and for the purpose of this report, it is assumed that the building is structurally sound. In order to verify this assumption, a qualified engineer should be retained |

This is **Exhibit "C"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~, 2024. *CR*

McMurray

A Notary Public in and for
the Province of Saskatchewan

Commercial Credit Amendment

| | | |
|--------------------|-------------------------------------|---|
| Portfolio: | | <u>Business Support</u> |
| Credit Union Loans | <input type="checkbox"/> | Return approved credit to: |
| Banking Loans | <input checked="" type="checkbox"/> | Paula Sim <input type="checkbox"/> |
| Third Party Loans | <input type="checkbox"/> | Credit Operations <input checked="" type="checkbox"/> |

Date: December 21, 2023
AVP: Special Loans
Credit Manager: Robert Gartner
Underwriter: Ahsan Rauf
Account Officer:
Borrower: **Vista Heights Management Limited (G.P. for Vista Heights Limited Partnership)**
Borrower Address: 1925 & 1933 18th Avenue NE, Calgary, AB
Connection: N/A
Guarantor:



Date of Purchase: June 20, 2013
Source: Direct Loan
Contact: John Weiler, Chief Operating Officer
Phone/Email: Cell 416.526.33541 / jweiler@hrel.com

Alignment Review
Last Originator Alignment Review dated **N/A** is on file.

Comments:

Reason for Submission



Background:

The subject property is a suburban office building in Calgary Alberta. The property consists of 196,457 SF of net leasable area. Prior to November 2022, the property consistently performed satisfactorily with by achieving better than 1.50x DSC.

In November 2022, the borrower was informed that WSP (Wood PLC, an engineering company) was in the process of being acquired by a larger international engineering firm and they reduced their net leasable area to ~52,000 sf which was a reduction from the former 91,000 sf they occupied. The new lease consisted of three, 1 year terms beginning December 1, 2022. At the time of this reduction in tenancy, the property vacancy increased to ~45%.

Further, the loan was downgraded to BRR 18, FRR7 (EQB equivalent SRR7, P-2) in August 2023 to address the distressed nature of the office building property located in Calgary Alberta.

The borrower informed Concentra on October 23, 2023 that their largest tenant (~27% of occupied space), WSP Engineering was not going to renew the lease that has an upcoming expiry of November 30, 2023. This new vacancy decreases occupancy to 35.12% and creates significant distress to cashflow on an already challenged property. The loan was downgraded to BRR 19, FRR7 (EQB SRR8, D) on December 1, 2023.

Current Update:

The Borrower recently provided an updated budget/current operating statement that addresses the new vacancy as well as provides guidance for their 2024 outlook via a projected budget. We are accordingly conducting a refresh of Concentra's security valuation, utilizing this budget/operating statement and current market reports/trends for the office asset class. We will also be recommending (1) a new loan loss provision on the account and (2) a risk rating downgrade to BRR19 (SRR9, D).

Valuation:

The commercial office space market in Calgary Alberta continues to be affected by the downturn in the oil and gas industry as well as uncertainty from return to office work for employees who transitioned to work from home. Prior to the pandemic, Calgary experienced higher vacancy but it has escalated higher since 2020.

The current vacancy rate for Calgary Suburban Class Office Buildings is 24.9% (as per CBRE Q3, 2023 Calgary's Suburban Office Figures Report). This is a slight improvement over Q2

Appendix: Rent Roll




| Unit # | Tenant | Size SF | Size (%) |
|------------|---------------------------------|----------------|----------------|
| 101 | Vista Fitness O/O | 5,413 | 2.76% |
| 102 | Franklyn Daycare | 2,376 | 1.21% |
| 107 | Microlynx | 4,176 | 2.13% |
| 112 | Vacant | 4,336 | 2.21% |
| 115-220 | Smart Executive | 12,785 | 6.51% |
| 115a | Slide Hustle Fudge Corp | 856 | 0.44% |
| 118 | Vacant | 5,013 | 2.55% |
| 123 | Smart Executive (for set up) | 7,927 | 4.03% |
| 126 | Bergeron and Co. | 1,860 | 0.95% |
| 129 | 1615540 Alberta Ltd | 7,497 | 3.82% |
| 201 a-d | Vacant - Formerly Wood, PLC | 52,179 | 26.56% |
| 225 | Vacant - Formerly SaveMax | 2,208 | 1.12% |
| 230 | DSV Air & Sea Inc | 5,276 | 2.69% |
| 325 | Vacant | 16,239 | 8.27% |
| 410 | Fric and Lowenstein | 5,558 | 2.83% |
| 425 | Sel Schweitzer Laboratories | 4,717 | 2.40% |
| 2-101A | Vacant | 3,153 | 1.60% |
| 2-101 | McCor Management (AB) Inc | 1,000 | 0.51% |
| 2-201 | Jeff Cooke State Farm Insurance | 4,525 | 2.30% |
| 1-320 | Livinston Int'l | 5,033 | 2.56% |
| 1-323, 201 | Vacant | 44,330 | 22.56% |
| Z1 | TOTAL | 196,457 | 100.00% |

Vacancy 64.88%
 Occupied 35.12%

Footnotes:

- (1) - For stabilized rent \$/sf:
 - Where existing leases in place for 1-2 years, maintained lease rate.
 - Where units were vacant, applied a \$15.60/sf rental rate - noting that CBRE's Q3 2023 Office Suburban Office Figures report highlights a \$19.48/sf net asking rate for Class A office assets and a \$12.65/sf net asking rate for Class B office assets.
- (2) - For stabilized recoveries \$/sf: Utilized the same recovery rate as presented in the Borrower's budget. Tenant Franklyn Daycare does not pay property taxes and hence has a lower recoveries \$/sf.

This is **Exhibit "D"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ ^{August}, 2024. 



A Notary Public in and for
the Province of Saskatchewan

CREDIT AGREEMENT

**VISTA HEIGHTS MANAGEMENT LIMITED,
as Borrower**

- and -

**VISTA HEIGHTS LIMITED PARTNERSHIP,
as Guarantor**

- and -

**CONCENTRA FINANCIAL SERVICES ASSOCIATION,
as Lender**

DATED AS OF JUNE 20, 2013

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- SCHEDULE A SECURITY**
- SCHEDULE B CONDITIONS PRECEDENT**
- SCHEDULE C CREDIT TERMS**
- SCHEDULE D PERMITTED LIENS**
- SCHEDULE E REAL PROPERTY**

THIS CREDIT AGREEMENT is made as of the 20th day of June, 2013

AMONG:

VISTA HEIGHTS MANAGEMENT LIMITED,
as Borrower

- and -

VISTA HEIGHTS LIMITED PARTNERSHIP,
as Guarantor

- and -

CONCENTRA FINANCIAL SERVICES ASSOCIATION,
as Lender

WHEREAS the Borrower has requested certain loan facilities from the Lender, and the Lender has agreed to provide such loan facilities to the Borrower on and subject to the conditions set forth in this Credit Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Credit Agreement hereby agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Capitalized Terms

Capitalized terms used in this Credit Agreement shall have the respective meanings ascribed to them in Schedule C, or ascribed to them elsewhere in this Credit Agreement, as the case may be.

1.2 Schedules

The following Schedules are attached to and form part of this Credit Agreement:

| | |
|------------|----------------------|
| Schedule A | Security |
| Schedule B | Conditions Precedent |
| Schedule C | Credit Terms |
| Schedule D | Permitted Liens |
| Schedule E | Real Property |

ARTICLE 2 **CREDIT FACILITY**

2.1 Establishment of Credit Facility

On and subject to the terms and conditions of this Credit Agreement, the Lender agrees to provide a non-revolving, reducing loan facility (the "Credit Facility") to the Borrower in the aggregate principal amount not to exceed the lesser of: (a) Cdn. \$34,200,000; and (b) 65% of the total purchase price paid by the Borrower to acquire the Real Property.

2.2 Availability

- (a) The Credit Facility shall be advanced by the Lender to the Borrower by way of:
- (i) a single Advance to the Borrower under Tranche A on or before June 30, 2013 (or such later date as the Lender may agree to in its sole discretion); and
 - (ii) a single Advance to the Borrower under Tranche B on or before May 31, 2016,
- subject to the Lender being satisfied in its sole discretion that:
- (A) all Conditions Precedent set out in Schedule B of this Credit Agreement have been satisfied; and
 - (B) the Borrower is not in default of any obligation, representation or other provision under this Credit Agreement.
- (b) **Tranche A:** On and subject to the terms and conditions of this Credit Agreement, Tranche A shall be made available by way of a single Advance to the Borrower in the principal amount not to exceed \$32,500,000.
- (c) **Tranche B:** On and subject to the terms and conditions of this Credit Agreement, Tranche B shall be made available by way of a single Advance to the Borrower in the principal amount not to exceed \$1,700,000.

2.3 Purpose of Credit Facility

Tranche A shall be used to assist in the acquisition of the Real Property by the Borrower, as bare nominee for and on behalf of the Guarantor. Tranche B shall be used for working capital or to be distributed to the limited partners of the Guarantor, at the discretion of the Borrower, provided that any such distribution does not and shall not result in an Event of Default. The Advance under Tranche B shall be made available to the Borrower in accordance with Section 2.2(c) hereof.

2.4 Term and Credit Facility Maturity Date

The Credit Facility is repayable in full on the earlier of the Maturity Date or the date payment is demanded by the Lender as a result of the occurrence of an Event of Default, unless otherwise extended by the Lender.

2.5 Interest

- (a) **Interest Rate - Tranche A:** The Borrower shall pay to the Lender interest on the outstanding principal amount of Tranche A, at a fixed per annum rate equal to the Canadian Bond Rate plus 243 basis points, but, in any event, not less than 4.00% per annum, for a seven (7) year term as established by the Lender pursuant to the Tranche A Interest Rate Lock Letter and committed not sooner than 5 days prior to the initial Advance to the Borrower under Tranche A.
- (b) **Interest Rate - Tranche B:** The Borrower shall pay to the Lender interest on the outstanding principal amount of Tranche B, at a fixed per annum rate equal to the Canadian Bond Rate plus 243 basis points, but, in any event, not less than 4.00% per annum, from the date of the Advance to the Borrower under Tranche B to the Maturity Date established by the Lender pursuant to the Tranche B Interest Rate Lock Letter and committed not sooner than 5 days prior to the initial Advance to the Borrower under Tranche B.
- (c) **Interest Payable Before and After Default:** Interest payable on the outstanding principal amount of the Credit Facility shall be payable both before and after maturity, default and judgment at the applicable rate set out in paragraph (a) or (b) above, as the

case may be, with interest on overdue interest at the same applicable rate, compounded monthly.

2.6 Repayment of Principal and Interest

The Credit Facility shall be repaid by the Borrower as follows:

- (a) The Lender shall debit the account of the Borrower for accrued interest up to and including the 7th day of the month immediately following the initial Advance of funds under the Credit Facility and, thereafter, the Borrower shall make monthly blended payments of principal and interest to the Lender on the 7th day of each month. Payment amounts are, if necessary, subject to adjustment on notice to the Borrower to ensure the original amortization period of 25 years from the date of the Tranche A Interest Rate Lock Letter is maintained.
- (b) On the Maturity Date, all Loan Indebtedness will be due and payable.

2.7 Prepayment

The Borrower may, at any time, prepay all, but not less than all, of the Loan Indebtedness upon giving the Lender 30 Business Days prior written notice. Any such prepayment will require the payment by the Borrower of an amount which is the greater of:

- (a) ninety (90) days interest on the amount of the prepayment of the Loan Indebtedness at the applicable interest rate or rates for the Credit Facility; or
- (b) the Loan Indebtedness, plus the amount, if any, by which the remaining contractual principal and interest in respect of the Credit Facility and the anticipated maturity balance of the Credit Facility or a portion thereof (had the herein prepayment not been requested), discounted at a rate equivalent to the bid side of the Government of Canada bond with a maturity date closest to the original contractual Maturity Date of the Credit Facility (the "**GOC Bond Rate Yield**") (as determined solely by the Lender), exceeds the Loan Indebtedness. The GOC Bond Rate Yield shall be established by the Lender five (5) days prior to the prepayment date using a qualified third party determinant selected by the Lender, such as the RBC Dominion Securities Inc. website.

ARTICLE 3 SECURITY

3.1 Security

As continuing collateral security for the Loan Indebtedness, the Borrower and the Guarantor have executed and delivered, or shall execute and deliver, to the Lender, the security documents set forth in Schedule A hereto (collectively, the "**Security**").

3.2 Form of Security

All Security and other agreements, documents and instruments referred to in Schedule A shall be in such form or forms as will be required by the Lender, acting reasonably. Should the Lender, acting reasonably, determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Lender with the Liens and priority to which it is entitled hereunder, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Lender, at the Borrower's expense, such amendments to the Security or provide such new security as the Lender may reasonably request.

3.3 Discharge of Security

The Lender will discharge the Security at the Borrower's expense forthwith after all of the Loan Indebtedness has been unconditionally and irrevocably paid and satisfied in full and the Credit Facility has been cancelled.

ARTICLE 4 **CONDITIONS PRECEDENT; CONDITIONS SUBSEQUENT**

4.1 Conditions Precedent and Conditions Subsequent

- (a) **Conditions Precedent:** The availability of the Credit Facility is subject to each of the conditions precedent listed in the attached Schedule B being complied with or satisfied in form and substance acceptable to the Lender and its counsel.
- (b) **Conditions Subsequent:** The Borrower shall deliver or shall cause to be delivered to the Lender each of the following, each in form and substance satisfactory to the Lender and its counsel:
 - (i) within 180 days of the date of the initial Advance to the Borrower under this Credit Agreement, an acknowledgement and consent by The City of Calgary to the collateral assignment by way of security by the Borrower in favour of the Lender of the parking license agreement dated July 10, 2010 between The City of Calgary and Medallion Business Centre Development Corp., as licensee, as subsequently assigned to 1604954 Alberta Ltd., as licensee, and as subsequently assigned to the Borrower, as licensee;
 - (ii) within 60 days of the date of the initial Advance to the Borrower under this Credit Agreement, tenant estoppel certificates from each tenant of the Real Property, to the extent not previously delivered to the Lender in accordance with Section 2(s) of Schedule B attached hereto; and
 - (iii) within 60 days of the date of the initial Advance to the Borrower under this Credit Agreement, in a form satisfactory to the Lender and a third-party expert appointed by the Lender, the certified copy of the insurance policy or policies maintained by the Borrower, evidencing compliance with the insurance required by Schedule C attached to this Credit Agreement.

ARTICLE 5 **FEES AND COSTS**

5.1 Fees

- (a) **Application/Processing Fee:** The Lender hereby acknowledges that the Cdn. \$205,200 application/processing fee payable by the Borrower in accordance with the term loan facility offer to finance dated April 29, 2013 from the Lender to the Borrower has been previously collected by the Lender.
- (b) **Annual Review Fee:** The Borrower hereby agrees to promptly pay to the Lender an annual review fee of Cdn. \$1,000. The Borrower hereby authorizes the Lender to debit the Borrower's account for any unpaid portion of the fee.
- (c) **Breach of Covenant Fee:** The Borrower hereby agrees to promptly pay to the Lender a breach of covenant fee of Cdn. \$3,500 for each covenant breach by a Loan Party under this Credit Agreement. The Borrower hereby authorizes the Lender to debit the Borrower's account for any unpaid portion of the fee.

5.2 Legal and Other Professional Costs

The Borrower hereby agrees to promptly pay all legal and other professional fees, disbursements, GST, PST and HST in connection with the Credit Facility made available to it under and pursuant to this Credit Agreement, which shall be payable by the Borrower even if no Advance is made under the Credit Facility, and which may be paid from the proceeds of the Credit Facility.

5.3 Realization Costs

The Borrower shall reimburse the Lender immediately upon demand for all reasonable out-of-pocket costs, charges and expenses (including reasonable legal fees and disbursements on a solicitor-and-client basis) incurred by the Lender in connection with any costs, charges or expenses incurred in enforcing payment of any monies or in performance of any other obligation owing under this Credit Agreement or taking possession of, protecting, preserving, collecting and realizing on any part of the Borrower's or the Guarantor's respective assets or collateral under the Security. Any amounts due under this Credit Agreement by the Borrower on account of any such costs, charges or expenses incurred by Lender shall bear interest from the date of demand for payment until paid at a rate per annum equal to the Prime Rate plus five percent (5%) per annum, compounded monthly, not in advance.

ARTICLE 6
BINDING EFFECT AND ASSIGNMENT BY BORROWER

6.1 Benefit and Burden

This Credit Agreement and the Security shall enure to the benefit of and be binding on the parties hereto, their respective successors and each assignee of all or any part of the rights and obligations of the parties under this Credit Agreement permitted by Sections 6.2 or 6.3 of this Credit Agreement. Any reference in this Credit Agreement or the Security, as the case may be, or to any party shall (to the extent the context so admits) be construed accordingly.

6.2 Assignment by Borrower

The Borrower may not assign all or any part of any of its rights or obligations in respect of the Credit Facility under this Credit Agreement without the prior written consent of Concentra.

6.3 Assignment by Concentra

Concentra may assign all or any part of any of its rights or obligations in respect of any of the Credit Facility to any other individual, bank, credit union, corporation, estate, partnership, trust, joint venture, or other legal entity, unincorporated association or governmental body with the consent of the Borrower. After the occurrence of an Event of Default, Concentra may assign all or any part of any of its rights or obligations in respect of any of the Credit Facility to any other individual, bank, credit union, corporation, state, partnership, trust, joint venture, or other legal entity, unincorporated association or governmental body without the consent of the Borrower. The Borrower hereby agrees that any such assignee shall be entitled to rights identical to the rights assigned to it as if such assignee were named in this Credit Agreement as an original party in substitution for Concentra in respect of such rights and obligations assigned, and Concentra shall be released from all obligations so assigned.

6.4 Disclosure

The Lender may disclose to any prospective or actual participant in or assignee of any rights or obligation in respect of the Credit Facility any information regarding the Borrower or its Business, assets, performance, conditions (financial or otherwise), prospects or results of operations that such participant or assignee may reasonably require.

ARTICLE 7
MISCELLANEOUS

7.1 Credit Terms

The attached Schedule C is incorporated by reference and forms part of this Credit Agreement.

7.2 Credit Reporting

The Borrower hereby consents to the obtaining from any credit reporting agency or from any person such information as the Lender may require at any time, and consents to the disclosure at any time of any information concerning the Borrower to any credit grantor with whom the Borrower has financial relations or to any credit reporting agency, as may be reasonably necessary for the purpose of this Credit Agreement.

7.3 Confidentiality

The Borrower shall not disclose any of the terms and conditions of this Credit Agreement to any other person without Concentra's prior written consent, other than to its shareholders and professional advisors and the unitholders of the Guarantor in the ordinary course of business; provided, however, that no earlier than one (1) year prior to the Maturity Date, the Borrower shall be permitted to disclose the terms and conditions of this Credit Agreement to other financial institutions in connection with the proposed refinancing of the Credit Facility by such other financial institution(s), where each such financial institution agrees to be under a like duty of confidentiality to that contained in this Section 7.3.

7.4 Notice

Any notice or other communication, including a demand or a direction, required or permitted to be given under this Credit Agreement shall be in writing and shall be given by prepaid first-class mail, by hand delivery or by facsimile transmission as set forth below. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during or within three (3) Business Days prior to a general discontinuance of postal service shall be deemed to have been received on the fourth (4th) Business Day after the post-marked date thereof, if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designate below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates, or if delivered by facsimile transmission shall be deemed to have been received upon the sender's receipt of a facsimile transmission confirmation. Notice of change of address shall also be governed by this Section 7.4. In the event of a general discontinuance of postal services, notices or other communications shall be deemed to have been received in accordance with the foregoing. Notice and other communications shall be addressed as follows:

If to the Lender:

Concentra Financial Services Association
2055 Albert Street
P.O. Box 3030
Regina Saskatchewan S4P 3G8

Attention: Associate Vice President, Syndication
Facsimile: (306) 566-1341

If to the Borrower:

Vista Heights Management Limited
c/o Romspen Investment Corporation

162 Cumberland Street, Suite 300
Toronto, Ontario M5R 3N5

Attention: Mark Hilson
Facsimile: (416) 966-1161

and to:

Abacus Real Estate Investments Ltd.
161 Bay Street, Suite 2430
PO Box 519
Toronto, Ontario M5J 2S1

Attention: John Weiler
Facsimile: 416-360-1969

If to the Guarantor:

Vista Heights Limited Partnership
c/o Romspen Investment Corporation
162 Cumberland Street, Suite 300
Toronto, Ontario M5R 3N5

Attention: Mark Hilson
Facsimile: (416) 966-1161

and to:

Abacus Real Estate Investments Ltd.
161 Bay Street, Suite 2430
PO Box 519
Toronto, Ontario M5J 2S1

Attention: John Weiler
Facsimile: 416-360-1969

Notwithstanding the preceding, if applicable law requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

7.5 Acceptance of Credit

Acceptance of this Credit Agreement by each of the Loan Parties will constitute a binding and enforceable agreement against each of the Loan Parties. Subject to the terms hereof, acceptance of this Credit Agreement by each of the Loan Parties or the execution or registration of any Security or the making of any Advance on account of the Credit Facility, shall not bind the Lender to advance the entire amount of the Credit Facility or any unadvanced portion of the Credit Facility.

7.6 Expiry Date

The Credit Facility being offered to the Borrower pursuant to this Credit Agreement will lapse if this Credit Agreement has not been accepted by each of the Loan Parties and returned to Concentra on or before June 24, 2013.

[remainder of page intentionally left blank; signature pages follow]

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

VISTA HEIGHTS MANAGEMENT LIMITED, as
Borrower

By:

Name: *John Webster*
Title: *President*

By:

Name: *Mark Wilson*
Title: *Secretary and Treasurer*

VISTA HEIGHTS LIMITED PARTNERSHIP, by its
General Partner, 2337497 ONTARIO LIMITED

By:

Name: *John Webster*
Title: *President*

By:

Name: *Mark Wilson*
Title: *Secretary and Treasurer*

Address:

2055 Albert Street
P.O. Box 3030
Regina, Saskatchewan S4P 3G8
Attention: Associate Vice President, Syndication
Facsimile No.: (306) 566-1341

**CONCENTRA FINANCIAL SERVICES
ASSOCIATION, as Lender**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SCHEDULE A SECURITY

To secure due repayment and satisfaction of Loan Indebtedness under or pursuant to this Credit Agreement and the other Credit Documents, the Borrower shall cause to be executed and delivered the following documents:

1. Cdn. \$34,200,000.00 mortgage (the "**Mortgage**") and a general assignment of leases and rents (the "**GALR**"), each granted by the Borrower, granting a first fixed mortgage charge against Real Property in favour of the Lender;
2. site-specific general security agreement by the Borrower granting in favour of the Lender a first fixed and floating Lien over all of the Borrower's present and after-acquired personal and real property;
3. assignment of "all risk" property insurance by the Loan Parties in favour of the Lender for the full replacement cost of the Real Property, including business interruption coverage and general liability, together with confirmation that the Lender is named as first loss payee with respect to all such policies of insurance held by any Loan Party;
4. a first-ranking pledge by each of Romspen Real Estate Equities Limited and Abacus Real Estate Investments Ltd. in respect of the shares in the capital of the Borrower registered in its name;
5. assignment and postponement of claims by the Borrower and Romspen Real Estate Equities Limited in favour of the Lender, which will permit distributions provided that the Borrower is in compliance with the provisions of this Credit Agreement;
6. assignment and postponement of claims by the Borrower and Abacus Real Estate Investments Ltd. in favour of the Lender, which will permit distributions provided that the Borrower is in compliance with the provisions of this Credit Agreement;
7. assignment by the Borrower in favour of the Lender of the parking license agreement dated July 10, 2010 between The City of Calgary and Medallion Business Centre Development Corp., as licensee, as subsequently assigned to 1604954 Alberta Ltd., as licensee, and as subsequently assigned to the Borrower, as licensee;
8. Cdn. \$865,498 cash collateral assignment agreement by the Borrower in favour of the Lender, the terms of which are more particularly set forth in Section 3 of Schedule B attached hereto;
9. full liability Guarantee by Vista Heights Limited Partnership of the indebtedness, liabilities and obligations of the Borrower to the Lender;
10. beneficial owner agreement by the Borrower and the Guarantor in favour of the Lender in respect of the Real Property; and
11. such other Security as the Lender may require.

SCHEDULE A SECURITY

To secure due repayment and satisfaction of Loan Indebtedness under or pursuant to this Credit Agreement and the other Credit Documents, the Borrower shall cause to be executed and delivered the following documents:

1. Cdn. \$34,200,000.00 mortgage (the "**Mortgage**") and a general assignment of leases and rents (the "**GALR**"), each granted by the Borrower, granting a first fixed mortgage charge against Real Property in favour of the Lender;
2. site-specific general security agreement by the Borrower granting in favour of the Lender a first fixed and floating Lien over all of the Borrower's present and after-acquired personal and real property;
3. assignment of "all risk" property insurance by the Loan Parties in favour of the Lender for the full replacement cost of the Real Property, including business interruption coverage and general liability, together with confirmation that the Lender is named as first loss payee with respect to all such policies of insurance held by any Loan Party;
4. a first-ranking pledge by each of Romspen Real Estate Equities Limited and Abacus Real Estate Investments Ltd. in respect of the shares in the capital of the Borrower registered in its name;
5. assignment and postponement of claims by the Borrower and Romspen Real Estate Equities Limited in favour of the Lender, which will permit distributions provided that the Borrower is in compliance with the provisions of this Credit Agreement;
6. assignment and postponement of claims by the Borrower and Abacus Real Estate Investments Ltd. in favour of the Lender, which will permit distributions provided that the Borrower is in compliance with the provisions of this Credit Agreement;
7. assignment by the Borrower in favour of the Lender of the parking license agreement dated July 10, 2010 between The City of Calgary and Medallion Business Centre Development Corp., as licensee, as subsequently assigned to 1604954 Alberta Ltd., as licensee, and as subsequently assigned to the Borrower, as licensee;
8. Cdn. \$1,101,895 cash collateral assignment agreement by the Borrower in favour of the Lender, the terms of which are more particularly set forth in Section 3 of Schedule B attached hereto;
9. full liability Guarantee by Vista Heights Limited Partnership of the indebtedness, liabilities and obligations of the Borrower to the Lender;
10. beneficial owner agreement by the Borrower and the Guarantor in favour of the Lender in respect of the Real Property; and
11. such other Security as the Lender may require.

**SCHEDULE B
CONDITIONS PRECEDENT**

1. **Security and Registrations:** The Security shall have been executed and delivered and all registrations and acknowledgements necessary or desirable shall have been completed or obtained in order to create, preserve and perfect the Security and the priority of such Security in form and on terms acceptable to the Lender and its legal counsel.
2. **Receipt of Documents:** The Lender shall have received each of the following documents, each in form and substance satisfactory to the Lender and its counsel:
 - (a) this Credit Agreement, duly executed and delivered by each of the Loan Parties;
 - (b) duly executed copies of each other Credit Document being delivered in connection herewith (including, without limitation, the Security), duly executed and delivered by the applicable Loan Parties;
 - (c) duly executed copy of the purchase and sale agreement between the Borrower, as purchaser, and 1604954 Alberta Ltd., as vendor, in respect of the Real Property;
 - (d) copy of the statement of adjustments and trust conditions of legal counsel to 1604954 Alberta Ltd. in respect of the acquisition by the Borrower of the Real Property;
 - (e) certified copy of certificate of title for the Real Property, registered in the name of the Borrower, as bare nominee for the Guarantor, evidencing registration of the Mortgage and the GALR, subject only to Permitted Liens, and subject to such non-Permitted Liens as legal counsel to the Borrower shall discharge utilizing the proceeds of the Advance to the Borrower under the Credit Facility, in accordance with trust conditions imposed on Borrower's counsel in connection with such Advance;
 - (f) a certificate of status, compliance or good standing in respect of each of the Loan Parties that is a corporation from each province or territory in Canada where such Loan Party is organized, has material property or carries on a material portion of its business;
 - (g) a partnership search or similar document in respect of each of the Loan Parties that is a partnership from each province or territory in Canada where such Loan Party is organized, has material property or carries on a material portion of its business;
 - (h) a certified copy of all Constatting Documents in force for each of the Loan Parties;
 - (i) a certified copy of a directors' resolution of the Borrower, approving the borrowing of the funds contemplated by this Credit Agreement and the execution and delivery of the Credit Documents to be delivered by the Borrower;
 - (j) a certified copy of a partners' resolution of the Guarantor, approving the execution and delivery of the Credit Documents to be delivered by the Guarantor;
 - (k) a certificate of incumbency of each of the Loan Parties;
 - (l) certificate(s) of insurance in respect of the insurance policy or policies maintained by the Borrower in compliance with Section 8.01 and Section 8.02 of Schedule C attached to this Credit Agreement;
 - (m) satisfactory receipt and review by each of the Lender and a third-party expert appointed by the Lender of the certificate of insurance referred to in paragraph 2(l) hereof;

- (n) certified copies of all rent rolls in respect of the Real Property;
- (o) real property report in respect of the Real Property with evidence of compliance with all applicable municipal bylaws;
- (p) zoning letter from the City of Calgary in respect of the Real Property;
- (q) property tax certificate for the Real Property, evidencing the payment in full of all property taxes;
- (r) satisfactory receipt and review by each of the Lender, its counsel and a third-party expert appointed by the Lender of all of the leases respecting the Real Property;
- (s) satisfactory receipt and review by the Lender of tenant estoppel certificates in respect of at least 80% of the gross leasable area of the Real Property and from at least 80% of the tenants of the Real Property, including all tenants leasing 7,500 square feet or greater of the Real Property;
- (t) all operation of account documentation required by the Lender, including, without limitation, authorization as may be required to implement a pre-authorized payment plan respecting payments on account of the Credit Facility;
- (u) releases, discharges and postponements (in registerable form where appropriate) covering all Liens affecting the collateral encumbered by the Security which are not Permitted Liens, if any, which may be provided subsequent to the drawdown of the Credit Facility in compliance with trust conditions imposed on legal counsel for the Borrower;
- (v) subject to Section 4.1(b) of the Credit Agreement, satisfactory evidence that each of the Loan Parties has obtained all required consents, permits and approvals (including all required consents, permits and approvals from governmental or other regulatory authorities) with respect to the execution, delivery and performance of each of the Credit Documents to which it is a party and with respect to the operation and management of its respective Business **(previously satisfied)**;
- (w) satisfactory receipt and review by the Lender of an appraisal report for the Real Property, prepared by Altus Group, together with a transmittal letter from Altus Group addressed to "Concentra Financial Services Association or nominee", which states that the Lender may rely upon such report(s) for mortgage financing purposes, and indicating an estimated market value of the Real Property of not less than Cdn. \$55,000,000, with the Real Property producing an estimated net operating income sufficient, in the Lender's sole discretion, to adequately support the repayment of the Credit Facility **(previously satisfied)**;
- (x) satisfactory receipt and review by the Lender of a current signed and dated Phase 1 Environmental Site Assessment Report and Phase 2 Environmental Site Assessment Report, addressed to the Lender, in respect of the Real Property, together with a transmittal letter from Pinchin Environmental, addressed to "Concentra Financial Services Association or nominee", which states that the Lender may rely upon such report(s) for mortgage financing purposes, and confirming that the Real Property is not exposed to and does not contain any hazardous environmental conditions or influences **(previously satisfied)**;
- (y) satisfactory receipt and review by the Lender of a current signed and dated original copy of the building condition report, addressed to the Lender, in respect of the Real Property, together with a transmittal letter from Pinchin Environmental addressed to "Concentra Financial Services Association or nominee", which states that the Lender may rely upon such report(s) for mortgage financing purposes **(previously satisfied)**;

- (z) satisfactory receipt and review by the Lender of the finalized investor term sheet respecting the Loan Parties (*previously satisfied*);
 - (aa) satisfactory receipt and review by the Lender of third party written bank report provided by each of Romspen Real Estate Equities Limited and Abacus Real Estate Investments Ltd.;
 - (bb) Tranche A Interest Rate Lock Letter, duly executed and delivered by the Borrower;
 - (cc) prior to the Advance to the Borrower under Tranche B of the Credit Facility, the Tranche B Interest Rate Lock Letter, duly executed and delivered by the Borrower;
 - (dd) satisfactory receipt and review by the Lender of the LP Agreement;
 - (ee) legal opinion of counsel to the Loan Parties, addressed to the Lender and its legal counsel, relating to, among other things, the subsistence of each of the Loan Parties and the due authorization, execution and delivery of the Credit Documents to which any Loan Party is a party; and
 - (ff) such other documents, certificates and opinions as the Lender may reasonably require.
3. **Cash Collateral:** The Borrower shall have deposited with the Lender from the proceeds of the initial Advance to the Borrower under Tranche A, cash collateral in the amount of \$865,498 on and subject to the terms of the cash collateral assignment agreement contemplated by Schedule A to the Credit Agreement. Such cash collateral shall be released by the Lender to the Borrower at a rate of \$47.50 per square foot upon receipt of evidence satisfactory to the Lender confirming the subsequent leasing by the Borrower of vacant office space situate on the Real Property (which evidence shall consist of a duly executed and delivered offer to lease by the Borrower, as landlord, and the applicable tenant, together with receipt by the Borrower of the security deposit contemplated by such offer to lease). In the event that an existing tenant substitutes a new lease of vacant office space situate on the Real Property for an existing lease: (a) the cash collateral shall be released by the Lender to the Borrower at a rate of \$47.50 per square foot in respect of the net gain, if any, in leased area of the Real Property and not to the gross area leased; and (b) to the extent such substituted area is re-leased, the cash collateral shall be released by the Lender to the Borrower at a rate of \$47.50 per square foot of the Real Property re-leased.
4. **No Default or Event of Default:** No Default or Event of Default under this Credit Agreement or any other Credit Document shall have occurred.
5. **No Material Adverse Effect:** Prior to any Advance of funds, the Lender must be satisfied that the financial position of the Borrower has not suffered any Material Adverse Effect since the date hereof.
6. **Due Diligence:** The Lender and its legal counsel shall have completed, to their satisfaction, an investigative and legal due diligence process in relation to the organization and structure of the Loan Parties, all lease agreements entered into or to be entered into by the Loan Parties (or any of them), all of the respective business operations of the Loan Parties, and all environmental concerns, hazards or issues related to the respective current or projected Business of the Loan Parties (*initial due diligence satisfied*).
7. **Minimum Debt Service Coverage Ratio - Tranche A:** The availability of Tranche A is subject to the Debt Service Coverage Ratio of the Borrower being greater than 1.50:1, as determined by the Lender, in its sole discretion, based upon the projected May, 2013 rent roll for the Real Property provided by the Borrower to the Lender (*satisfied*).
8. **Minimum Net Income - Tranche B:** The availability of Tranche B is subject to the Borrower having achieved a stabilized Debt Service annualized amount of at least Cdn. \$3,300,000, as

determined by the Lender in accordance with Section 1.01(m) hereof and its credit policies in place, from time to time. Tenant inducements and leasing commissions shall be excluded for the purposes of this calculation: The Lender shall base its review upon: (a) the rent roll for the Real Property for the three (3) consecutive months immediately preceding the Advance to the Borrower under Tranche B; and (b) internally prepared financial statements for the Borrower for such period, certified as to accuracy by a Senior Officer of the Borrower.

9. **Syndication of Credit Facility** - The Lender shall have entered into syndication agreements with two credit union syndication partners on terms satisfactory to the Lender, which syndication agreements shall provide for aggregate commitments of such two credit union syndication partners under the Credit Facility in the minimum principal amount of \$22,800,000.
10. **Bringdown Certificate** – The Lender shall have been provided with an officer's certificate of the Borrower confirming that as of the date of the initial Advance hereunder:
 - (a) no default hereunder or Event of Default has occurred and is continuing on the drawdown date, or would result from the making of the initial Advance;
 - (b) the representations and warranties contained in Sections 5.01 and 5.02 of Schedule C to this Credit Agreement shall be true and correct as if made on and as of the drawdown date for the initial Advance hereunder;
 - (c) since the date of this Credit Agreement, there shall not have occurred any change, development or event relating to the Borrower, the Guarantor or the Real Property which would reasonably be expected to have a Material Adverse Effect; and
 - (d) all other terms and conditions of this Credit Agreement upon which the Borrower may obtain an Advance are fulfilled.

**SCHEDULE C
CREDIT TERMS**

1. **Interpretation:**

1.01 **Definitions:** In this Credit Agreement, the following words have the following meanings:

- (a) **"Advance"** means any amount of credit advanced or to be advanced (as the context requires) by the Lender to or for the account or benefit of the Borrower under this Credit Agreement;
- (b) **"Agreement"** or **"Credit Agreement"** means this Credit Agreement together with each of the schedules attached to this Credit Agreement, including this Schedule C;
- (c) **"Borrower"** means, Vista Heights Management Limited, and its successors and permitted assigns;
- (d) **"Business"** means the business of the Borrower;
- (e) **"Business Assets"** means all of the property, assets and undertakings of any nature and kind legally or beneficially owned by the Borrower, including, without limitation, the Real Property and all assets relating to the operation and management of the Real Property;
- (f) **"Business Day"** means a day, excluding Saturday, Sunday or any other day which shall be in the City of Calgary, Alberta or the City of Toronto, Ontario a legal holiday or a day on which banking institutions are closed;
- (g) **"Canadian Bond Rate"** means the fixed rate equal to the seven (7) year bond yield on Government of Canada Bonds, as published by the Government of Canada from time to time;
- (h) **"Canadian Dollars"**, **"Cdn. \$"** or **"CDN"** each mean the lawful money of Canada;
- (i) **"Concentra"** means Concentra Financial Services Association, its successors and permitted assigns;
- (j) **"Constituting Documents"** means, with respect to the Borrower, its articles of incorporation, amalgamation or continuance or other similar document, its by-laws and any unanimous shareholders' agreement, and with respect to the Guarantor means its limited partnership agreement, or other similar document, all as amended, modified, supplemented, restated or replaced from time to time;
- (k) **"Credit Documents"** means, collectively, this Credit Agreement, the Security and all agreements, guarantees, certificates, instruments, notices of repayment and all other documents delivered or to be delivered to or for the benefit of the Lender, pursuant hereto or thereto, all as the same may be amended, modified, supplemented, restated or replaced from time to time;
- (l) **"Credit Facility"** means the credit facility established in favour of the Borrower pursuant to Section 2.1 of this Credit Agreement;
- (m) **"Debt Service"** means, for any period, the aggregate of:
 - (i) base rental revenue of the Borrower from the leasing of the Real Property by the Borrower; plus

- (ii) revenue from the operation by the Borrower of the parking lot adjacent to the Real Property and revenue from the operation by the Borrower of the parking lot on the Real Property; plus
 - (iii) common area maintenance recoveries received by the Borrower in respect of the Real Property; plus
 - (iv) property tax recoveries received by the Borrower in respect of the Real Property; minus
 - (v) all associated operating expenses (which operating expenses shall include, without limitation, a three percent (3%) management fee and a one percent (1%) structural reserve) and property taxes respecting the Real Property and the parking lot adjacent to the Real Property, as more particularly described in subparagraph (ii) above;
- (n) **"Debt Service Coverage Ratio"** means, for any period, the ratio of (i) Debt Service, to (ii) Interest Expense and scheduled principal payments in respect of Funded Debt;
 - (o) **"Default"** means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;
 - (p) **"Equity"** means all capital funded to the Guarantor by the limited partners of the Guarantor less all capital distributed to the limited partners of the Guarantor from the proceeds of Tranche B;
 - (q) **"Event of Default"** has the meaning ascribed to such term in Section 9 of Schedule "C";
 - (r) **"Funded Debt"** means, in respect of the Borrower, all outstanding non-postponed, debt of the Borrower (but only excluding such postponed debt if it is postponed on terms and in a manner acceptable to the Lender), including capital leases (as defined according to GAAP) and letters of credit/guarantee;
 - (s) **"GAAP"** means Generally Accepted Accounting Principles as recommended by the Canadian Institute of Chartered Accountants;
 - (t) **"GALR"** has the meaning ascribed thereto in Schedule A to the Credit Agreement;
 - (u) **"GOC Bond Rate Yield"** has the meaning ascribed thereto in Section 2.7(b) of the Credit Agreement;
 - (v) **"Guarantee"** means any guarantee, undertaking to assume, endorsement (other than the routine endorsement of cheques in the ordinary course of business), contingent agreement to purchase, repurchase or to provide funds for the payment of any obligation of any other person or any other agreement, instrument or document under which a person otherwise directly or indirectly becomes liable: (i) in respect of any obligation of any other person, (ii) to maintain the solvency or any balance sheet or other financial condition of any other person (including keep-well covenants), or (iii) to make payment for any products, materials or supplies of any other person, or for any transportation or services of any other person regardless of the non-delivery or non-furnishing thereof, in any case, if the purpose or intent of such agreement is to provide assurance that such obligations will be paid or performed, or that agreements relating thereto will be complied with, or that the holder of such obligations will be protected against non-payment or non-performance in respect thereof; provided that the amount of each Guarantee shall be

deemed to be the amount of the obligation guaranteed thereby unless the Guarantee is limited to a determinable amount, in which case the amount of such Guarantee shall be deemed to be the lesser of such determinable amount and the amount of such obligation;

- (w) **"Guarantor"** means Vista Heights Limited Partnership and its successors and permitted assigns;
- (x) **"Indebtedness"** means all present and future obligations and indebtedness of a person, whether direct or indirect, absolute or contingent, including all indebtedness for borrowed money, all obligations in respect of swap or hedging arrangements and all other liabilities which in accordance with GAAP would appear on the liability side of a balance sheet (other than items of capital, retained earnings and surplus or deferred tax reserves);
- (y) **"Lender"** means Concentra and its successors and permitted assigns;
- (z) **"Liens"** means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance, including, without limitation, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;
- (aa) **"Loan Indebtedness"** means the aggregate, at any time (but without duplication), of:
 - (i) the outstanding principal amount of all Advances under the Credit Facility;
 - (ii) all accrued and unpaid interest, including interest on overdue and unpaid interest payable by the Borrower hereunder; and
 - (iii) all fees, indemnities and other amounts payable by any Loan Party hereunder or under the other Credit Documents;
- (bb) **"Loan Parties"** means, collectively, the Borrower and the Guarantor, and **"Loan Party"** means any one of them, as the context so requires;
- (cc) **"LP Agreement"** means the limited partnership agreement to be entered into in furtherance of the transactions contemplated by the Unit Offering Term Sheet;
- (dd) **"Material Adverse Effect"** means any such matter, event or circumstance that individually or in the aggregate could reasonably be expected to have a material adverse effect on:
 - (i) the business, financial condition, operations, property, assets or undertaking of any Loan Party or of the Loan Parties taken as a whole;
 - (ii) the ability of any Loan Party to perform its material obligations under any material contract or permit;
 - (iii) the ability of any of the Loan Parties to pay any of the obligations of any of the Loan Parties in accordance with this Credit Agreement or as they become due;
 - (iv) the validity or enforceability of this Credit Agreement, the Security, or any other Credit Document; or
 - (v) the rights and remedies of the Lender under the Credit Documents; or
 - (vi) the priority ranking of any of the Liens granted by the Security, other than in respect of Permitted Liens;

- (ee) **"Maturity Date"** means the date that is seven (7) years from the date of the Tranche A Interest Rate Lock Letter, as more particularly set forth therein;
- (ff) **"Mortgage"** has the meaning ascribed thereto in Schedule A to the Credit Agreement;
- (gg) **"Permitted Liens"** means:
 - (i) liens for Taxes, assessments and governmental charges due and being contested in good faith and diligently by appropriate proceedings;
 - (ii) undetermined or inchoate liens, charges and privileges incidental to current operations and statutory liens, charges, adverse claims, security interests or encumbrances of any nature whatsoever claimed or held by any governmental authority, or arising under any applicable laws or regulations, that have not at the time been filed or registered against the title to the asset or served upon the Borrower pursuant to law or that relate to obligations not due or delinquent;
 - (iii) any mechanics', builders', warehousemen's, carriers' or other similar liens arising in the ordinary course of business and out of the construction or improvement of the Borrower's real property or out of the furnishings of materials or supplies therefor to the extent that such lien relates to obligations which are not overdue;
 - (iv) the Liens described in Schedule D and Schedule E to this Credit Agreement, as the case may be; and
 - (v) any Lien arising after the execution of this Credit Agreement which is approved in writing, prior to its creation or assumption, by the Lender;
- (hh) **"Person"** or **"person"** each mean an individual, a partnership, a corporation, a company, an unincorporated organization, a trust, an unincorporated association, a joint venture, a union or other entity or a government or any department or agency thereof (collectively, an "entity") and the heirs, executors, administrators, successors, or other legal representatives, as the case may be, of such entity;
- (ii) **"Prime Rate"** means the variable rate of interest (expressed as a percentage rate per annum on the basis of a 365 or 366 day year, as applicable) announced by the Lender from time to time as the reference rate for interest for determination of the interest rates it will charge for loans made in Canadian Dollars and which it refers to as its "prime rate of interest";
- (ji) **"Real Property"** means the real property legally owned by the Borrower, as bare nominee for and on behalf of the Guarantor, more particularly described in Schedule E including all buildings, erections, and fixtures now or hereafter constructed or placed thereon and all accessions and appurtenances thereto;
- (kk) **"Roll-Over to Fund"** means the transaction more particularly described in the "Roll-Over to Fund" section of the Unit Offering Term Sheet;
- (ll) **"Security"** means, collectively, the Guarantees and security documents held from time to time by the Lender, securing or intended to secure the payment and performance of the indebtedness, liabilities and obligations of the Borrower to the Lender, including, without limitation, the Guarantees and security documents described in Schedule A to this Credit Agreement, and any and all other documents, instruments or agreements held from time to time by the Lender for such purposes;

- (mm) **"Senior Officer"** means, at any time: (a) the chief executive officer; (b) the chief financial officer; (c) the president; or (d) individuals who are performing substantially the same duties as any of the foregoing officers and shall include such other individuals (or replacement individuals) as are consented to in writing by the Lender in its sole discretion;
- (nn) **"Taxes"** means all present or future taxes of any nature and howsoever termed, including all license and documentation fees, income taxes, capital taxes, goods and services taxes, levies, fiscal charges, imposts, duties, fees, assessments, surcharges, withholdings, restrictions, conditions or other charges of whatever nature and however arising which are imposed, assessed, charged, levied, withheld, deducted, demanded or otherwise applied pursuant to applicable laws by any person at any time, together with all interest thereon and penalties or similar liabilities with respect thereto, but excluding with respect to the Lender any taxes imposed on its income, purchases, or capital and franchise taxes imposed on it by any taxation authority;
- (oo) **"Tranche A"** means that portion of the Credit Facility established by Section 2.2(b) of this Credit Agreement;
- (pp) **"Tranche A Interest Rate Lock Letter"** means the letter to be provided by the Lender to the Borrower not more than five (5) days prior to the initial Advance to the Borrower under Tranche A of the Credit Facility, setting forth, among other things: (i) the interest rate applicable to Advances under Tranche A of the Credit Facility; and (ii) the Maturity Date of the Credit Facility;
- (qq) **"Tranche B"** means that portion of the Credit Facility established by Section 2.2(c) of this Credit Agreement;
- (rr) **"Tranche B Interest Rate Lock Letter"** means the letter to be provided by the Lender to the Borrower not more than five (5) days prior to the initial Advance to the Borrower under Tranche B of the Credit Facility, setting forth, among other things, the interest rate applicable to Advances under Tranche B of the Credit Facility; and
- (ss) **"Unit Offering Term Sheet"** means the April 10, 2013 Vista Heights Office Complex Term Sheet regarding up to 4,480 Class A units of the Guarantor to be purchased by eligible investors (including Class A units to be purchased by the principals of Romspen Investment Corporation and Abacus Real Estate Investments Ltd.).
- 1.02 **Currency:** Unless otherwise indicated, all dollar amounts in this Credit Agreement are expressed in Canadian Dollars.
- 1.03 **Sections and Headings:** The division of this Credit Agreement into Articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Credit Agreement. Unless otherwise indicated, any reference in this Credit Agreement to an article, section, subsection or schedule refers to the specified article, section or subsection of or schedule to this Credit Agreement.
- 1.04 **Agreements and Enactments.** Reference herein to any agreement, instrument, license or other document shall be deemed to include reference to such agreement, instrument, license or other document as the same may from time to time be amended, modified, supplemented or restated in accordance with the provisions of this Credit Agreement if and to the extent such provisions are applicable; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

1.05 **Number and Gender:** In this Credit Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) words in the singular number include the plural and such words shall be construed as if the plural had been used;
- (b) words in the plural include the singular and such words shall be construed as if the singular had been used; and
- (c) words importing the use of any gender shall include all genders where the context or party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

1.06 **Conflicts between Documents:** If there is a conflict between this Credit Agreement and the Security, this Credit Agreement shall prevail and, in such case the applicable Loan Party shall not be required to comply with the inconsistent provisions of the Security. If there is a conflict between this Schedule C and any other provision of this Credit Agreement, the other provision of this Credit Agreement shall prevail and the applicable Loan Party shall not be required to comply with the inconsistent provisions of this Schedule C.

2. **Interest Calculations:**

2.01 **Interest Calculations:** Interest on the Credit Facility shall be calculated upon the daily outstanding balance of the Credit Facility from (and including) the date it is advanced until (but excluding) the date it is repaid in full, and, until demand for payment is made as a result of an Event of Default, shall be payable in arrears on the specified payment dates based upon the actual number of days elapsed. Unless otherwise expressly specified elsewhere in this Credit Agreement, the interest payable in respect of advances under the Credit Facility and in respect of any other amounts due under this Credit Agreement shall be compounded monthly not in advance and all interest shall be payable both before and after maturity, default and judgment on the amount outstanding from day to day until payment is made.

2.02 **No Deemed Reinvestment:** The principle of deemed reinvestment of interest shall not apply to the calculation of interest under this Credit Agreement notwithstanding anything contained in this Credit Agreement or in the Security. The rates of interest stipulated in this Credit Agreement are intended to be nominal rates and not effective rates or yields.

3. **No Set-Off:** The obligation of the Borrower to make all payments of principal and interest and all other amounts due under this Credit Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off compensation, counterclaim, recoupment, defence or other right which the Borrower may have against the Lender for any reason whatsoever.

4. **Payments:**

4.01 **Manner of Payment:** All amounts payable under this Credit Agreement in respect of any Advance shall, unless otherwise stated, be payable in Canadian Dollars at the offices of the Lender or at such other place or in such other manner as the Lender may designate in writing from time to time.

4.02 **Application of Payments:** All payments received under this Credit Agreement in respect of a Credit Facility shall be applied:

- (a) first, to the payment of any costs, charges or expenses together with any interest with respect to such costs, charges or expenses payable under this Credit Agreement, or under any Security relating to this Credit Agreement and the Credit Facility;
- (b) second, to the payment of all interest payable under the Credit Facility; and
- (c) third, to the repayment of the principal amount of the Credit Facility.

4.03 **Payment dates not falling on Business Days:** If any payment to be made by the Borrower under this Credit Agreement shall come due on a day other than a Business Day, payment shall be made on the next succeeding Business Day and the extension of time shall be reflected in computing interest.

5. **Representations and Warranties:**

5.01 **Representations and Warranties of the Borrower:**

The Borrower hereby represents and warrants that:

- (a) it is duly incorporated and organized and is a subsisting corporation, and has all requisite powers, capacities, licenses and permissions under its governing legislation and other laws applicable to it, and under its articles of incorporation, by-laws and governing resolutions to:
 - (i) own the assets which have been represented as belonging to the Business of the Borrower in any financial statement or representation made by the Borrower to the Lender;
 - (ii) carry on all businesses in which it is engaged; and
 - (iii) enter into, perform and comply with its obligations under this Credit Agreement and the Security;
- (b) the entering into this Credit Agreement and the borrowing of all sums and granting of the Security contemplated by this Credit Agreement do not and will not:
 - (i) require any consent or approval not already obtained of any director, shareholder, partner, creditor or any other person;
 - (ii) violate or conflict with any provision of the Borrower's articles of incorporation, or bylaws or any unanimous shareholders' agreement;
 - (iii) violate any provision of any federal, provincial or municipal law, rule or regulation, or an order, writ, judgment, injunction, decree, determination or award presently in effect and having applicability to the Borrower; or
 - (iv) result in a breach of or constitute a default under, or cause or permit the acceleration of any obligation owed under, any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Borrower is a party or by which any of the Borrower's property is bound or affected;
- (c) the execution and delivery of the Credit Documents and the consummation by the Borrower of the transactions contemplated by this Credit Agreement have been duly authorized by all necessary corporate or other action of the Borrower and no consent

under any applicable law and (except for registration of the Security in the customary manner) no registration, qualification, designation, declaration or filing with any governmental authority is or was necessary therefor or to perfect the same or to preserve the benefit thereof to the Lender, except as are in full force and effect;

- (d) each of the Credit Documents to which the Borrower is a party will, when executed and delivered by the Borrower, constitute legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms;
- (e) the Borrower is not a party to any agreement or subject to any legally binding instrument, license, permit or law under the terms of which the Borrower is prohibited or restricted from entering into any of the obligations assumed, liabilities imposed, or restrictions accepted by the Borrower under this Credit Agreement;
- (f) the Borrower has good and marketable title to all of its Business Assets and no Lien exists on or over any of the Borrower's assets or revenues or the assets or revenues of any of its subsidiaries, except Permitted Liens;
- (g) the loan application and all other material or information submitted by the Borrower to the Lender is complete and accurate in all material respects and, to the best knowledge of the Borrower, there is no fact which the Borrower has not disclosed to the Lender in writing which materially and adversely affects nor is reasonably likely to affect materially and adversely the Business or operations, properties, prospects, profits or condition (financial or otherwise) taken as a whole, of the Borrower or the ability of the Borrower to perform its obligations under this Credit Agreement;
- (h) the financial statements, certificates and other information concerning the Borrower's financial condition or the Business of the Borrower provided to the Lender represent fairly the financial position of the Borrower and the results of the Business of the Borrower, in accordance with GAAP applied on a consistent basis with that of the preceding year, or other relevant financial period, except for such changes or departures from such principles as are expressly identified by the auditors in their report on the financial statements, or in such certificates or other information, and there has been no material adverse change, since the date of such financial statements, certificates or other information;
- (i) no litigation, arbitration or administrative proceeding is current, pending or threatened so far as the Borrower is aware, in respect of the Business of the Borrower which, if determined adversely to the Business of the Borrower, would have a Material Adverse Effect on the Business of the Borrower;
- (j) there are no outstanding judgments, writs of execution, work orders, injunctions or administrative or regulatory directives against or affecting the Borrower or any of the Business Assets of the Borrower that might reasonably have a Material Adverse Effect on the Business of the Borrower or condition of the Business Assets of the Borrower;
- (k) the Borrower is in good standing under and holds all necessary permits, licenses, authorizations and other approvals to undertake and carry on the Business of the Borrower in each of the jurisdictions in which the Business of the Borrower is carried on;
- (l) the Borrower is not aware of any fact (other than matters of an economic nature of general applicability), which might adversely affect the Business of the Borrower or its operations, investments, property or prospects, or the ability of the Borrower to observe and perform its obligations under any Credit Document to which it is a party;

- (m) the Borrower is not a party to nor bound by any Guarantee;
- (n) the Borrower owns or has the right to use all patents, trade-marks, service-marks, trade-names, copyrights, licenses, software and rights with respect thereto necessary for the conduct of the Business of the Borrower, without any known conflict with the rights of others and free and clear of all Liens, mortgages, security interests or other encumbrances, other than Permitted Liens;
- (o) the Borrower does not have or use a French form of its name or a combined French and English form of its name;
- (p) the Borrower is not aware of any past or present incident or situation involving any environmental contamination of any of the Business Assets of the Borrower; and
- (q) the Borrower is not subject to any existing or previously threatened or, to the knowledge of the Borrower, threatened, penalty, enforcement, action, administrative proceeding, injunction, litigation or other proceeding which may affect the financial condition of the Borrower or the Business Assets of the Borrower.

5.02 Representations and Warranties of the Guarantor:

The Guarantor hereby represents and warrants that:

- (a) it is a subsisting limited partnership formed under the laws of the Province of Ontario;
- (b) it has all requisite powers, capacities, licenses and permissions under all laws applicable to it, and under its Constatting Documents and governing resolutions to:
 - (i) carry on all business in which it is engaged; and
 - (ii) enter into, perform and comply with its obligations under this Credit Agreement and the Security;
- (c) the entering into this Credit Agreement and granting of the Security contemplated by this Credit Agreement do not and will not:
 - (i) require any consent or approval not already obtained of any partner, creditor or any other person;
 - (ii) violate or conflict with any provision of the Guarantor's Constatting Documents;
 - (iii) violate any provision of any federal, provincial or municipal law, rule or regulation, or an order, writ, judgment, injunction, decree, determination or award presently in effect and having applicability to the Guarantor; or
 - (iv) result in a breach of or constitute a default under, or cause or permit the acceleration of any obligation owed under, any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Guarantor is a party or by which any of the Guarantor's property is bound or affected;
- (d) the execution and delivery of the Credit Documents and the consummation by the Guarantor of the transactions contemplated by this Credit Agreement have been duly authorized by all necessary action by the partners of the Guarantor and no consent under any applicable law and (except for registration of the Security in the customary manner)

no registration, qualification, designation, declaration or filing with any governmental authority is or was necessary therefor or to perfect the same or to preserve the benefit thereof to the Lender, except as are in full force and effect;

- (e) each of the Credit Documents to which the Guarantor is a party will, when executed and delivered by the Guarantor, constitute legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their respective terms;
 - (f) the Guarantor is not a party to any agreement or subject to any legally binding instrument, license, permit or law under the terms of which the Guarantor is prohibited or restricted from entering into any of the obligations assumed, liabilities imposed, or restrictions accepted by the Guarantor under this Credit Agreement;
 - (g) no Lien exists on or over any of the Guarantor's assets or revenues or the assets or revenues of any of its subsidiaries, except Permitted Liens or as disclosed in writing to the Lender;
 - (h) no litigation, arbitration or administrative proceeding is current, pending or threatened so far as the Guarantor is aware, in respect of the business of the Guarantor which, if determined adversely to the business of the Guarantor, would have a material adverse effect on the business of the Guarantor;
 - (i) there are no outstanding judgments, writs of execution, work orders, injunctions or administrative or regulatory directives against or affecting the Guarantor or any of the assets of the Guarantor that might reasonably have a Material Adverse Effect upon the business of the Guarantor or condition of the assets of the Guarantor;
 - (j) the Guarantor holds all necessary permits, licenses, authorizations and other approvals to undertake and carry on the business of the Guarantor in each of the jurisdictions in which the Guarantor's business is carried on;
 - (k) the Guarantor is not aware of any fact (other than matters of an economic nature of general applicability), which might adversely affect the business of the Guarantor or its operations, investments, property or prospects, or the ability of the Guarantor to observe and perform its obligations under any Credit Document to which it is a party;
 - (l) the Guarantor owns or has the right to use all patents, trade-marks, service-marks, trade-names, copyrights, licenses, software and rights with respect thereto necessary for the conduct of the business of the Guarantor, without any known conflict with the rights of others and free and clear of all Liens, mortgages, security interests or other encumbrances, other than Permitted Liens;
 - (m) the Guarantor does not have or use a French form of its name or a combined French and English form of its name;
 - (n) the Guarantor is not subject to any existing or previously threatened or, to the knowledge of the Guarantor, threatened, penalty, enforcement, action, administrative proceeding, injunction, litigation or other proceeding which may affect the financial condition of the Guarantor or the assets of the Guarantor.
6. **Positive Covenants:** For as long as this Credit Agreement is in force and any amount advanced under this Credit Agreement remains unpaid, the Borrower shall:
- (a) pay punctually all amounts owing (including principal, interest, and any other costs, charges or expenses) by the Borrower under the terms of this Credit Agreement and

perform all other terms, covenants and conditions in this Credit Agreement and the Security;

- (b) use the proceeds of monies advanced under the Credit Facility solely for the purposes described in this Credit Agreement or otherwise approved by the Lender in writing and provide evidence as to the use to which such funds are put as may be reasonably required by the Lender;
- (c) carry on and continuously conduct the Borrower's operations in an efficient manner and, without restriction, pay all rents, Taxes and other assessments on the lands and premises from which the Business of the Borrower is carried on, pay all monies and observe all covenants contained in any leases or agreements for sale under which the Borrower holds any property, maintain and keep in good repair its buildings, machinery and equipment in accordance with good industry and franchise standards, pay all Taxes and other liabilities to public authorities when due, and pay punctually all employees and other payees which, if not paid, may be able to assert a claim on the Business Assets of the Borrower which would rank in priority to the Security;
- (d) keep financial records and proper books of account in accordance with GAAP, consistently applied, and allow the Lender, or its representatives or agents, on 48 hours prior notice (or such shorter notice as the Borrower shall permit) to inspect such records and books at all reasonable times and to take extracts from such books;
- (e) maintain its existence in good standing and keep in good standing, in all applicable jurisdictions, all licenses, franchise agreements, material rights, bonds, approvals, consents and authorizations necessary to enable the Borrower to carry on the Business of the Borrower in a proper and efficient manner in accordance with good industry and franchise standards;
- (f) pay punctually all amounts owing to employees and other parties who, if unpaid, would be entitled under any applicable law to have priority over the Security;
- (g) promptly notify the Lender in writing of any Material Adverse Effect in the Business of the Borrower, financial or otherwise including, without limitation, any default or notice of default under any material contract or franchise agreement;
- (h) promptly notify the Lender in writing of any change in the principal place of the Borrower's business or the location of inventory or equipment or the location of the office where the Borrower keeps its records respecting accounts receivable or if the Borrower acquires another place of business;
- (i) promptly notify the Lender in writing if any material litigation, arbitration, action, suit or other proceeding is commenced or, to the knowledge of any officer or director of the Borrower, is threatened against the Business of the Borrower;
- (j) maintain its Business Assets in good standing, free and clear of all encumbrances, except Permitted Liens;
- (k) obtain and comply with all necessary licenses, permits and approvals including environmental permits and approvals required for operation of the Business of the Borrower and the Business Assets of the Borrower;
- (l) ensure that the Business and the Business Assets of the Borrower are in compliance in all material respects with all applicable building codes, regulations, ordinances and zoning requirements;

- (m) comply with all environmental laws and regulations including the safe use and storage of hazardous substances used in the normal course of business and to reimburse the Lender for any costs incurred in conducting any environmental audits or investigations which the Lender may reasonably incur in respect of the Business of the Borrower or the Business Assets or the Borrower and to provide the Lender with any information pertaining to environmental matters that the Lender may reasonably request;
- (n) provide promptly to the Lender a copy of any and all permit applications, environmental reports, assessments, monitoring data and the like affecting or relating to any of the operations or premises of the Business of the Borrower whether or not such information is filed with any environmental agency;
- (o) provide promptly to the Lender copies of any orders, charges, and notices affecting or relating to any of the operations or premises of the Business of the Borrower issued by any governmental or other regulatory authorities;
- (p) provide or cause to be provided to the Lender on a quarterly basis, within 60 days of the end of each fiscal quarter of the Borrower, a copy of the quarterly reporting package provided to the limited partners of the Guarantor, including, without limitation, detailed financial reporting respecting the Real Property, in a form or forms satisfactory to the Lender;
- (q) provide or cause to be provided each of the following to the Lender on an annual basis, within 120 days of the Borrower's and the Guarantor's fiscal year end, in a form or forms satisfactory to the Lender:
 - (i) a copy of the Borrower's financial statements prepared on a notice to reader, containing without limitation, a balance sheet, an income statement, a statement of retained earnings and a statement of changes to financial position;
 - (ii) a copy of the Guarantor's annual audited financial statements, containing without limitation, a balance sheet, an income statement, a statement of retained earnings and a statement of changes to financial position, together with the auditor's notes and comments;
 - (iii) a copy of the Borrower's site specific internally prepared profit and loss statement in respect of the Real Property;
 - (iv) a copy of the current rent roll in respect of the Real Property;
 - (v) copies of all lease and renewal agreements respecting the Real Property, as requested by the Lender;
 - (vi) evidence of all insurance policy or policies maintained by the Borrower in respect of the Real Property, evidencing the insurance required by this Schedule C;
 - (vii) property tax certificate for the Real Property, evidencing the payment in full of all property taxes; and
 - (viii) any other information pertaining to any Loan Party which the Lender may reasonably request;
- (r) incur ongoing capital expenditures considered appropriate in the normal course of the Business of the Borrower in order to maintain the Real Property in good overall repair and appearance;

- (s) ensure that at all times:
 - (i) the Debt Service Coverage Ratio shall not be less than 1.40:1; and
 - (ii) the Funded Debt to Equity ratio shall not be greater than 1.90:1;
- (t) give written notice to the Lender of any proposed change in the province or location in which its Business or chief executive office is located at least sixty (60) days prior to any action being taken to effect such location change, together with particulars of the new address;
- (u) give written notice to the Lender of any proposed change to its corporate name or the general nature of its Business at least sixty (60) days prior to any action being taken to effect such change, together with certificated copies of the certificate and supporting documents effecting such name change, if applicable, and the particulars of the change to the general nature of its Business, if applicable;
- (v) prosecute, in compliance with Section 138 of the *Land Titles Act* (Alberta), the discharge of caveat numbers 101 354 105 and 111 254 862 registered against title to the Real Property; and
- (w) provide to the Lender, within 45 days from the date of the Advance to the Borrower under Tranche A, a certified copy of the insurance policy or policies maintained by the Borrower, evidencing compliance with the insurance required by this Schedule C, which certified copy of insurance policy or policies shall not differ materially from the draft provided by the Borrower to the Lender in accordance with Section 2(m) of Schedule A attached hereto.

7. **Negative Covenants:** For so long as this Credit Agreement is in force and any portion of the Credit Facility remains unpaid, the Borrower shall not, without the prior written consent of the Lender:

- (a) commit any act of bankruptcy or insolvency or permit any attachment or execution in respect of any of its assets;
- (b) create, incur, assume or permit to exist any Lien on or with respect to its Business Assets or any properties or assets subject to the Security granted by the Borrower, except for Permitted Liens;
- (c) create, incur, assume or allow to exist any Indebtedness other than:
 - (i) trade payables incurred in the ordinary course of business;
 - (ii) any Indebtedness owing to another Loan Party (but only if that Loan Party has provided an assignment, postponement, subordination or other security in favour of the Lender);
 - (iii) any Indebtedness secured by a Permitted Lien;
 - (iv) any unsecured advances from affiliates/shareholders which are postponed in all respects to the Credit Facility on terms satisfactory to the Lender; and
 - (v) any Indebtedness owing to the Lender;

- (d) enter into any transaction (including by way of restructuring, reorganization, consolidation, amalgamation, merger, liquidation, transfer, sale or otherwise) whereby all or substantially all or a material portion of the Business Assets of the Borrower would become the property of any other person or, in the case of any such amalgamation, of a continuing entity resulting from such amalgamation, except for the transactions, other than any Roll-Over to Fund transaction, contemplated by the Unit Offering Term Sheet;
- (e) declare or pay dividends, management bonuses, shareholders' loans, subordinated loans or permit any other withdrawal or reduction of the Borrower's capital if the declaration or payment of same shall have the effect of causing any Event of Default pursuant to Section 9 of this Schedule C;
- (f) transfer, assign, sublease, sell or otherwise dispose of the Business Assets of the Borrower except (i) as expressly permitted under the Security granted by the Borrower, and (ii) inventory in the ordinary course of business or replacement personal property that is obsolete;
- (g) remove any portion of its Business Assets to another province, territory or other jurisdiction;
- (h) enter into or continue agreements or arrangements which, in any way, in the opinion of the Lender acting reasonably, will divert assets or profits of its Business in such a manner or such result as will prejudice, derogate from, or reduce the effectiveness of the Security granted by the Borrower;
- (i) allow any third party to use any of the Business Assets of the Borrower, if there is any possibility that such use may have a negative environmental impact on any of the Business Assets of the Borrower; or
- (j) amend, supplement, replace or otherwise modify the terms of the LP Agreement.

8. **Insurance:**

8.01 The Borrower shall maintain the following policies of insurance:

- (a) on buildings, fixtures and equipment, property insurance on an "all-risks" replacement cost basis;
- (b) broad form insurance upon all boilers, pressure vessels, machinery and air conditioning equipment, where applicable;
- (c) business interruption insurance in a profits form including principal and interest owing to the Lender as part of the standing charges and with an indemnity period of not less than 12 months;
- (d) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all operations of the Borrower with such insurance to be in an amount not less than \$5,000,000.00 per occurrence; and
- (e) such other insurance as the Lender may reasonably request.

8.02 All such policies shall be in a form and amount acceptable to Lender, shall be written through an insurer licensed in the province or territory in which the Business is carried on and shall provide 30 days advance written notice to the Lender of cancellation. The policies referred to

in Section 8.01 of this Schedule C shall show the Lender as a mortgagee, as its interest may be from time to time, and shall be subject to a mortgage clause satisfactory to the Lender.

- 8.03 The Borrower shall promptly provide the Lender with a certified copy of each insurance policy and with evidence of renewals of each insurance policy as soon as practically available.
- 8.04 The Borrower shall promptly provide written notice to the Lender of any amendment, modification, supplement or cancellation of any insurance policy maintained by the Borrower.
- 8.05 In the event of the occurrence of any partial or complete loss, damage or destruction to the facilities or any equipment, or other improvements or property of the Business, the Borrower shall give the Lender prompt written notification, and shall, at its sole cost and expense, provide the Lender with all necessary proof of loss and do or cause to be done all such acts and things as may be necessary or advisable to obtain prompt payment of all insurance proceeds.
- 8.06 In the event of an insured loss, the Borrower shall consult with the Lender and shall apply any insurance proceeds received either to the repair or replacement of the damaged assets or repayment of amounts owing under this Credit Agreement, as directed by the Lender.
9. **Events of Default:** If any of the following events or circumstances occurs (each an "Event of Default"), the Lender may, at its option, terminate its commitment to make advances under the Credit Facility or declare the Credit Facility to be immediately due and payable:
- (a) if the Borrower fails to pay to the Lender any amount of principal, interest, costs, charges or expenses or other amounts when due under this Credit Agreement or under any prior or subsequent loan or other obligation to the Lender and such default continues for three (3) or more Business Days;
 - (b) if any representation or warranty contained in any Credit Document shall be found to be false or incorrect or lacking in any material facts so as to make it materially misleading and such default continues for at least thirty (30) days after the earlier of a Senior Officer of the Borrower first having knowledge thereof or written notice thereof is given by the Lender to the Borrower;
 - (c) if the Borrower or any other Loan Party defaults in the performance of or fails to comply with any other term, condition or covenant contained in this Credit Agreement or in the Security or under any prior or subsequent loan or other obligation to the Lender and such default continues for at least fifteen (15) days after the earlier of a Senior Officer of the Borrower or the other applicable Loan Party first having knowledge thereof or written notice thereof is given by the Lender to the Borrower;
 - (d) subject to paragraph (a) of this Section 9, if the Borrower defaults in paying when due all or any part of its Indebtedness in excess of \$250,000.00, in aggregate, or other liability in respect of any Funded Debt (subject to any applicable cure periods in respect of such Funded Debt or waiver of such default by the applicable lender);
 - (e) if the report of the auditors or accountant on any annual or other financial statements delivered by the Borrower shall be qualified in any way so as to cause a Material Adverse Effect;
 - (f) the shareholders of the Borrower at the time of execution of this Credit Agreement cease to collectively be the registered and beneficial owners of all of the issued and outstanding shares in the capital of the Borrower without the prior written consent of the Lender, such consent not to be unreasonably withheld;

- (g) if the Borrower becomes insolvent or bankrupt or subject to or takes advantage of any law relating to bankruptcy, insolvency or for the relief of debtors, or makes a general assignment, arrangement or compromise for creditors, makes a bulk sale of its assets, or otherwise acknowledges its insolvency;
 - (h) if any proceeding is taken with respect to compromise or arrangement with the creditors of the Borrower, or to have the Borrower declared bankrupt or wound up or to have a receiver appointed of any part of the Business Assets of the Borrower, or if any encumbrance holders take possession of any part of the Business Assets of the Borrower;
 - (i) if any of the Security granted by any Loan Party shall, at any time after being executed and delivered, for any reason (other than with the written consent of the Lender) cease to constitute a valid, binding and enforceable obligation of such Loan Party and such default continues for at least fifteen (15) days after the earlier of a Senior Officer of the Borrower first having knowledge thereof or written notice thereof is given by the Lender to the Borrower;
 - (j) if an order is made or an effective resolution passed for the winding up, liquidation or dissolution of the Borrower;
 - (k) if any person takes possession of any property of the Borrower (whether by appointment of a receiver, receiver and manager or otherwise) which is, in the opinion of the Lender, a substantial part of the property of the Business of the Borrower, or if a distress or execution or any similar process be levied or enforced against such property and such default continues for at least fifteen (15) days after the earlier of a Senior Officer of the Borrower first having knowledge thereof or written notice thereof is given by the Lender to the Borrower;
 - (l) if this Credit Agreement or the Security or any provision of this Credit Agreement or of the Security shall, at any time after being executed and delivered by the Borrower or other issuer, for any reason (other than in accordance with their respective terms or with the consent of the Lender) cease to be in full force and effect or shall be declared to be null and void, or the validity or enforceability of this Credit Agreement or any Security shall be denied or contested by the Borrower or other issuer of any such Security, as the case may be;
 - (m) if the Borrower ceases or threatens to cease to carry on business;
 - (n) if the Borrower defaults in the performance of a material obligation to any other person, such default remains unremedied after the expiry of any appropriate grace or curative periods (except material defaults the validity of which is disputed in good faith, details of which shall be given to the Lender upon request) and such default constitutes a Material Adverse Effect; and
 - (o) if there is an incident involving environmental contamination, or if the Lender in its sole discretion suspects that there has been an incident involving environmental contamination, of any of the Business Assets of the Borrower for which the remediation would be in excess of \$10,000.00, in aggregate, and such default continues for at least fifteen (15) days after the earlier of a Senior Officer of the Borrower first having knowledge thereof or written notice thereof is given by the Lender to the Borrower.
10. **Remedies:** Concentra may take any action against the Loan Parties permitted under any Credit Document or at law or in equity, all remedies being cumulative and not exclusive, at such time and in such manner as Concentra may in its sole and absolute discretion deem appropriate, all

without demand, notice or any other action whatsoever, all of which are hereby expressly waived by each of the Loan Parties to the fullest extent permitted by law. Without limiting the generality of the foregoing, Concentra may demand payment of the Credit Facility, commence foreclosure proceedings against the Business Assets, appoint a receiver, take possession of the Business Assets and pursue all or any of any other available remedy.

11. **Hazardous Substances:** The Borrower shall indemnify and save harmless the Lender and its officers, directors, employees and agents from and against all losses, liabilities, damages or costs (including legal fees and disbursements on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report, and the costs of any remediation arising from or relating to any breach of the foregoing covenants of Sections 6(k), (l), (m), (n), (o) and (r) and 7(i) of this Schedule C, the presence, in any form, of any contaminant or hazardous substances on or under land owned or rented by the Borrower, or the discharge, release, spill or disposal of any contaminant or hazardous substance by the Borrower, which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts advanced under this Credit Agreement. The Lender shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Credit Agreement.
12. **Survival:** All covenants, agreements, indemnities, representations and warranties of each of the Loan Parties made in any Credit Document, shall be deemed to have been relied upon by the Lender and, notwithstanding any investigation previously made or which may in the future be made by the Lender, shall survive the execution and delivery of the Credit Documents until all amounts owing pursuant to this Credit Agreement have been paid in full. Unless expressly stated to be made as of a specific date, the representations and warranties made in this Credit Agreement shall survive the execution of this Credit Agreement and all other Credit Documents, and shall be deemed to be repeated as of the date of each advance hereunder and as of the date of delivery of all reporting requirements contemplated herein, subject to modifications made by the Borrower to the Lender in writing and accepted by the Lender. The Lender shall be deemed to have relied upon such representations and warranties at each such time as a condition of making any advance hereunder or continuing to extend the Credit Facility hereunder.
13. **Concentra Records:** The respective records and books maintained by Concentra in the usual and ordinary course of its business concerning the state of accounts between the Borrower and Concentra shall, in the absence of manifest error, be *prima facie* evidence of the true state of accounts between the parties for all purposes including litigation.
14. **Further Assurances:** Each of the Loan Parties, whether before or after default, shall make, execute, deliver or cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably require for the purposes of giving effect to each of the Credit Documents including, without limitation, for the purpose of exercising all powers, authorities and discretions hereby conferred upon or acquired by the Lender.
15. **Invalidity of Provisions:** Each of the provisions contained in this Credit Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part by a court of competent jurisdiction shall not affect the validity of enforceability of any other provision of this Credit Agreement.
16. **Amendment, Waiver:** No amendment or waiver of this Credit Agreement shall be binding unless executed in writing by the Lender. No waiver of any provision of this Credit Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Credit Agreement constitute a continuing waiver unless otherwise expressly provided. Any failure of the Lender to exercise any rights or remedies under any Credit Document shall not constitute a waiver thereof.

17. **Entire Agreement:** This Credit Agreement supersedes and cancels any and all pre-existing agreements and understandings between the parties relating to the provision of the Credit Facility. Any and all prior and contemporaneous negotiations and preliminary drafts and prior versions of this Credit Agreement, whether signed or unsigned among the parties leading up to the execution of this Credit Agreement shall not be used by any party to construe, alter or amend the terms or affect the validity of this Credit Agreement.
18. **Time:** Time is of the essence in each of the Credit Documents.
19. **Anti-Money Laundering Legislation:** The Borrower acknowledges that, pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Lender may be required to obtain, verify and record information regarding the Borrower, its subsidiaries, directors, authorized signing officers, direct or indirect shareholders or other persons in control of the Borrower, and the transactions contemplated hereby. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, or any prospective assignee or participant hereunder, in order to comply with the applicable AML Legislation, whether now or hereafter in existence.
20. **Governing Law:** This Credit Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and, without prejudice to the ability of the Lender to enforce this Credit Agreement in any other proper jurisdiction, each of the Loan Parties hereby irrevocably attorns to the jurisdiction of the courts of Alberta.
21. **Counterparts; Facsimile, Electronic Execution:** Any Credit Document may be executed in any number of counterparts, including by facsimile or other electronic means (including, without limitation, PDF format), all of which taken together shall constitute one and the same instrument and any of the parties thereto may execute a Credit Document by signing any such counterpart. The delivery of a facsimile or other electronic copy of an executed counterparty of a Credit Document shall be deemed to be valid execution and delivery of such Credit Document, but the party delivering such facsimile or other electronic copy shall deliver an original copy of such Credit Document as soon as reasonably possible after delivery of the facsimile or other electronic copy.

**SCHEDULE D
PERMITTED LIENS**

The Permitted Liens,

**SCHEDULE E
REAL PROPERTY**

Lands:

PLAN 7610289
BLOCK A
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

Permitted Liens:

| Instrument Number | Registration Date | Particulars |
|--------------------------|--------------------------|--|
| 5859GF | November 28, 1950 | Utility right of way in favour of The City of Calgary as to portion or plan 3900AK "Lots 3, 4 & 5 in Block A6" |
| 771 147 064 | October 20, 1977 | Zoning Regulations subject to Calgary International Airport Zoning Regulations |
| 041 106 634 | March 23, 2004 | Caveat re: Easement |
| 101 354 105 | December 6, 2010 | Caveat re: Lease Interest in favour of Three Steams Engineering Ltd. <i>(to be discharged in accordance with Section 138 of the Land Titles Act (Alberta))</i> |
| 111 013 452 | January 18, 2011 | Caveat re: Lease Interest in favour of Her Majesty the Queen in Right of Canada as represented by Minister of Public Works and Government Services Canada |
| 111 254 862 | October 4, 2011 | Caveat re: Lease Interest in favour of Three Streams Engineering Ltd. <i>(to be discharged in accordance with Section 138 of the Land Titles Act (Alberta))</i> |
| 121 038 836 | February 14, 2012 | Caveat re: Lease Interest in favour of William H. Fric Professional Corporation and Howard M. Lowenstein Professional Corporation |

Dated June 20, 2013

VIA EMAIL

Vista Heights Management Limited
c/o Romspen Investment Corporation
162 Cumberland Street, Suite 300
Toronto, Ontario M5R 3N5

Abacus Real Estate Investments Ltd.
161 Bay Street, Suite 2430
P.O. Box 519
Toronto, Ontario M5J 2S1

Attention: Mark Hilson

Attention: John Weller

Dear Sir:

RE: Concentra Financial Services Association ("Concentra" or the "Lender") - Credit Facility to Vista Heights Management Limited (the "Borrower")

Reference is made to the credit agreement dated as of June 20, 2013 (as amended, modified, supplemented, restated or replaced from time to time, the "Credit Agreement") among the Borrower, as borrower, Concentra, as lender, and Vista Heights Limited Partnership, as guarantor. Capitalized terms used herein but not otherwise defined have the respective meanings ascribed thereto in the Credit Agreement.

Credit Facility - Tranche A

1. This Tranche A Interest Rate Lock Letter is to verify that, subject to Section 2 hereof, the interest rate for the \$32,500,000 Advance made available to the Borrower under Tranche A of the Credit Facility has been set at 4.45%, based on a fixed rate calculated on a monthly basis, not in advance. As such, the monthly principal and interest payments payable by the Borrower in respect of the Advance under Tranche A will be \$179,724.44. The calculation used to determine the interest rate is as follows:

| | |
|--------------------------|---------------------|
| Date Rate Lock Set: | Dated June 20, 2013 |
| Benchmark GOC Bond Rate: | 2.02% |
| Margin: | 243 basis points |
| Rounding Factor: | None |
| Effective Rate: | 4.45% |
| Term: | 7 years closed |
| Amortization: | 25 years |

This closing is scheduled for June 26, 2013 (the "Closing Date").

2. Notwithstanding any other provision of this Tranche A Interest Rate Lock Letter, in the event that the conditions precedent to the availability of the Credit Facility set forth in Schedule B to the Credit Agreement are not satisfied on or before the Closing Date, the interest rate set forth in this Tranche A Interest Rate Lock Letter will expire, the Lender shall have no further obligations hereunder and the Borrower and the Lender shall enter into a replacement Tranche A Interest Rate Lock Letter no earlier than five (5) days prior to the initial Advance to the Borrower under Tranche A. The Borrower hereby acknowledges that the interest rate set forth in any such replacement Tranche A Interest Rate Lock Letter may differ from the interest rate set forth herein, and that the interest rate set forth in any such replacement Tranche A Interest Rate Lock Letter shall govern and prevail.

Please acknowledge and agree to the terms of this Tranche A Interest Rate Lock Letter by executing a counterpart of this correspondence in the area provided below and return same to the Lender via e-mail (doug.keen@concentrafinancial.ca) as soon as possible. If you should have any questions, please contact Doug Keen via phone ((403) 259-9340) or via e-mail at the address set forth in the immediately preceding sentence.

Sincerely,

**CONCENTRA FINANCIAL SERVICES
ASSOCIATION**

Per: 

Name: GARRY A SIMLER
Title: ASSOCIATE VICE PRESIDENT

Per: 

Name: MANAGER
Title:

Acknowledged and agreed to this 20th day of
JUNE, 2013.

By: VISTA HEIGHTS MANAGEMENT LIMITED

Per: 

Name:
Title:

June 23, 2020

Vista Heights Management Limited
c/o Hillcore Real Estate Investments Ltd.
161 Bay Street, Suite 2430
Toronto, Ontario, M5J 2S1

Attention: John Weiler, Chief Operating Officer

Dear Mr. Weiler,

Re: Loan Term Renewal

We are pleased to confirm that Concentra Bank ("Concentra"), formerly Concentra Financial Services Association has approved renewal of the credit facility for Vista Heights Limited Partnership with the following amendments. Reference is made to the Credit Agreement dated June 20, 2013.

This credit facility is offered under the agreement(s) on the same basis as outlined therein subject to the following amendments.

Tranche A – Ln. #833400011114

| | |
|---------------------|--|
| Principal Balance | \$26,763,171.40 as of June 26, 2020 term expiry |
| Accrued Interest | \$65,079.84 as of June 26, 2020 term expiry |
| | Interest Rate: 4.50% fixed / open |
| Term Start Date: | June 26, 2020 |
| Term Maturity Date: | November 26, 2022 |
| Amortization Date: | June 26, 2045 (25-year amortization reinstated) |
| Repayment Terms: | Equal blended monthly installments of principal and interest in an amount equal to \$148,764.76 commencing on the 7th day of July 2020 and continuing on the 7th day of every month thereafter until the 7th day of November 2022. The outstanding principal with all accrued and unpaid interest thereon shall be paid in full on the 26th day of November 2022. |
| Prepayment: | Prepayment shall be permitted without notice, bonus or penalty. |
| Fees: | Loan renewal fee of \$26,763.17 (10 Bps) will apply. |

Tranche B - Ln. #833400017475

Principal Balance \$1,437,794.26 as of June 26, 2020 term expiry
Accrued Interest \$2,995.58 as of June 26, 2020 term expiry
Interest Rate: 4.50% fixed / open
Term Start Date: June 26, 2020
Term Maturity Date: November 26, 2022
Amortization Date: June 26, 2045 (25-year amortization reinstated)
Repayment Terms: Equal blended monthly installments of principal and interest in an amount equal to **\$7,991.73** commencing on the 7th day of July 2020 and continuing on the 7th day of every month thereafter until the 7th day of November 2022. The outstanding principal with all accrued and unpaid interest thereon shall be paid in full on the 26th day of November 2022.

Prepayment: Prepayment shall be permitted without notice, bonus or penalty.

Fees: Loan renewal fee of \$1,437.79 (10 Bps) will apply.

The next annual review date has been set for May 31, 2021.

In addition to the renewal fees outlined above the following fees apply.

Annual Review Fee: The Borrower hereby agrees to promptly pay to the Lender an annual review fee of Cdn. \$1,000. The Borrower hereby authorizes the Lender to debit the Borrower's account for this fee.

Breach of Covenant Fee: The Borrower hereby agrees to promptly pay to the Lender a breach of covenant fee of Cdn. \$3,500 for each covenant breach by a Loan Party under this Credit Agreement. The Borrower hereby authorizes the Lender to debit the Borrower's account for payment of this fee.

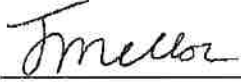
We ask that the borrower partners and guarantor acknowledge the term renewal by returning a signed copy of this letter.

We appreciate your continued business and request that you contact the undersigned should you have any questions or concerns.

Yours truly,


Terry Mihaychuk
Commercial Markets Manager
Concentra Bank
Phone: 587.447.7287
Email: Terry.Mihaychuk@concentra.ca

Concentra Bank



Joshua Mellor
Director Commercial Banking



Casey Fox
Director Commercial Banking

The Borrower & Guarantor(s) hereby acknowledge and agree to the foregoing.

Dated this 25th day of June 2020:

Vista Heights Limited Partnership (Borrower)



Vista Heights Management Limited (Guarantor)



Payoff Statement

Borrower Name Vista Heights Management Limited (Vista 1)

Loan Number: 833400011114
Maturity Date: December 31, 2023
Interest Rate: 4.5% Fixed
Monthly Payment: \$148,764.76 - Blended P&I
Next Payment Due: July 7, 2024

Balance as of: July 9, 2024

| | | |
|---------------------|----|----------------------|
| Principal Balance: | \$ | 24,565,465.96 |
| Accrued Interest: | \$ | 649,580.87 |
| Prepayment Penalty: | \$ | - |
| Legal Fee: | \$ | 25,000.00 |
| Discharge Fee: | \$ | 300.00 |
| Net Payoff Amount: | \$ | <u>25,240,346.83</u> |

Per Diem: \$ 3,020.34

The above net payoff amount and per diem are valid up to and including Jul 9, 2024. If payment is not made by Aug 9, 2024 please contact our office for an updated payoff statement.



Amy Yu, Commercial Servicing Officer
Commercial Operations
Phone: (604) 590-6836
email: amyu@eqbank.ca

This is **Exhibit "E"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *CR*

Memorandum

A Notary Public in and for
the Province of Saskatchewan

Payoff Statement

Borrower Name Vista Heights Management Limited (Vista 2)

Loan Number: 833400017475
Maturity Date: December 31, 2023
Interest Rate: 4.5% Fixed
Monthly Payment: \$7,991.73 - Blended P&I
Next Payment Due: July 7, 2024

Balance as of: July 9, 2024

| | | |
|---------------------|----|---------------------|
| Principal Balance: | \$ | 1,319,742.60 |
| Accrued Interest: | \$ | 34,897.76 |
| Prepayment Penalty: | \$ | - |
| Discharge Fee: | \$ | 300.00 |
| Net Payoff Amount: | \$ | <u>1,354,940.36</u> |

Per Diem: \$ 162.26

The above net payoff amount and per diem are valid up to and including Jul 9, 2024. If payment is not made by Aug 9, 2024 please contact our office for an updated payoff statement.



Amy Yu, Commercial Servicing Officer
Commercial Operations
Phone: (604) 590-6836
email: amyu@eqbank.ca

This is **Exhibit "F"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *CR*

Memorew

A Notary Public in and for
the Province of Saskatchewan

CONCENTRA FINANCIAL SERVICES ASSOCIATION

THIS GENERAL SECURITY AGREEMENT DATED the ____ day of June, 2013.

BRANCH ADDRESS: 2055 Albert Street, P.O. Box 3030, Regina, Saskatchewan S4P 3G8

1. DEFINITIONS

The following definitions shall apply herein:

- (a) "Act" means the Personal Property Security Act of the Province of Alberta in effect on the date hereof;
- (b) "Accessions", "Account", "Account Debtor", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property" "Money" and "Purchase Money Security Interest" shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto;
- (c) "Agreement", "herein", and similar expressions refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;
- (d) "Collateral" means all present and after-acquired personal property of the Debtor of whatever kind and wherever situate located on or related to the real property legally described as Plan 7610289, Block A, Lot 1, excepting thereout all mines and minerals, area: 1.81 hectares (4.47 acres) more or less, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A" together with all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:
 - (i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Lender may after default direct;
 - (ii) Consumer Goods, or
 - (iii) those specific items, if any, described on the attached Schedule "B";
- (e) "Debtor" means VISTA HEIGHTS MANAGEMENT LIMITED;
- (f) "Default" means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;
- (g) "Indebtedness" means and includes any and all obligations, indebtedness and liability of the Debtor to the Lender, (including but not limited to principal, interest and all costs on a full indemnity basis) present or future, direct or indirect, absolute or contingent, mature or not, extended or renewed, wherever and however incurred, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;

- (h) "Lender" means CONCENTRA FINANCIAL SERVICES ASSOCIATION;
- (i) "Permitted Encumbrances" means those specific security interests, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption;
- (j) "Proceeds" shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;
- (k) "Real Property" means all of the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real, immovable and leasehold property and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant or other fixtures;
- (l) "Receiver" means any one or more persons (whether officers of the Lender or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager or receiver and manager; and
- (m) "Security Interest" means the security interest granted by the Debtor to the Lender pursuant to this Agreement; and
- (n) "Specifically Described Collateral" means those items, if any, described in Schedule "A" which comprise part of the Collateral.

2. GRANT OF SECURITY INTEREST

For value received (the receipt and sufficiency of which is hereby acknowledged):

- (a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Lender in the Collateral (other than Real Property); and
- (b) the Debtor hereby charges the Real Property as and by way of a floating charge.

3. INDEBTEDNESS SECURED

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the Debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment and satisfaction thereof.

4. ATTACHMENT OF SECURITY INTEREST

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Lender that it attach at any later time.

5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

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

- (a) the Debtor is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;

- (b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;
- (c) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;
- (d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Lender, in the future carry on business under any name other than the name set forth in paragraph 1(e);
- (e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interest except for the Security Interest and the Permitted Encumbrances;
- (f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere by the Debtor to the Lender, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Lender;
- (g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceedings to enforce the Collateral or otherwise;
- (h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;
- (i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Lender are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Lender;
- (k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Lender; and
- (l) none of the Collateral is or shall be Consumer Goods.

6. COVENANTS OF THE DEBTOR

The Debtor covenants:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances;
- (b) except as expressly permitted herein, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Lender;

- (c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Lender;
- (d) to assemble and deliver the Collateral to the Lender at such location as the Lender may direct;
- (e) to notify the Lender promptly in writing of:
 - (i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Lender shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,
 - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Lender), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate \$50,000,
 - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Lender with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Lender in effecting such further registrations as may be required by the Lender to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,
 - (iv) the details of any claims or litigation affecting the Debtor or the Collateral,
 - (v) any loss or damage to the Collateral, and
 - (vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral,
- (f) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;
- (g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Lender in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;
- (h) to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:
 - (i) the preparation, execution and filing of this Agreement,
 - (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Lender's rights and interests arising pursuant to this Agreement, and
 - (iii) the exercise of any rights or remedies of the Lender pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Lender

in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Lender and until paid shall bear interest from the date incurred by the Lender at the highest rate of interest then chargeable by the Lender to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;

- (i) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Lender satisfactory evidence of such payment and discharge;
- (j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transactions in relation to its business and the Collateral;
- (n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;
- (o) at all reasonable times, to allow the Lender access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;
- (p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Lender reasonably directs, with loss payable to the Lender and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefore, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Lender of any insurance proceeds;
- (q) to prevent the Collateral from being or becoming an Accession or a Fixture to other property not covered by this Agreement or other security granted by the Debtor in favour of the Lender;
- (r) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,
 - (iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Lender may request,
 - (iv) all policies and certificates of insurance relating to the Collateral, and
 - (v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Lender may request;
- (s) not to change the present use of the Collateral; and

- (t) to comply with all other requirements of the Lender, whether in the nature of positive or negative covenants, set forth in the Credit Agreement and those additional covenants, terms, and conditions, if any, contained on the attached Schedule "D".

7. EVENTS OF DEFAULT

The following constitute Default but shall be subject to any applicable curative periods set forth in the Credit Agreement:

- (a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favour of the Lender or any other person, firm or corporation;
- (c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;
- (d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or similar legislation in any jurisdiction;
- (e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (f) any encumbrance or security interest affecting the Collateral becomes enforceable;
- (g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);
- (i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;
- (j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for thirty (30) days or more after its due date;
- (k) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or
- (l) there is any material adverse change in any of the facts disclosed to the Lender, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral.

For the purposes of Section 203 of the Land Title Act (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or
- (b) the Lender taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

8. ACCELERATION/DEFAULT

In the event of Default the Lender, 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 shall not in any way affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

9. REMEDIES

Upon Default the Lender shall have the following rights and powers, which the Lender may exercise immediately:

- (a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Lender and any Receiver from all claims in connection therewith or arising therefrom;
- (b) to remove all or any part of the Collateral to such place as the Lender deems advisable;
- (c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Lender considers advisable, including but not limited to making replacements and additions to the Collateral;
- (d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefore, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Lender considers appropriate;
- (e) to sell, lease, 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 Lender deems reasonable (including without limitation, by deferred payment) all in the Lender's absolute discretion and without the concurrence of the Debtor; provided however, that the Lender shall not be required to do so and it shall be lawful for the Lender to use and possess the Collateral for any and all purposes and in any manner the Lender sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Lender's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);
- (f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Lender and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or

otherwise disposing of the Collateral (including dispositions by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Lender, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. In addition, every Receiver may, at the discretion of the Lender, be vested with all or any of the rights and powers of the Lender under the Act or any other applicable legislation or under this Agreement or any other agreement;

- (g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Lender may have entered into and to resell, release or redispense of the Collateral;
- (h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Lender, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Lender;
- (i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Lender in writing; and
- (k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Lender are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Lender in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Lender shall have no obligation to take any steps to preserve rights against other parties, shall have no obligations to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Lender may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Lender. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Lender acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

10. LENDER MAY REMEDY DEFAULT

The Lender shall have the right, but shall not be obliged to, remedy any Default of the Debtor and all sums thereby expended by the Lender shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Lender to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Lender's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

- (a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;
- (b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and
- (c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) after Default the Lender may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Lender; and
- (b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor after Default shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

If the Collateral at any time includes Investment Property, the Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominees after Default so that the Lender or its nominees may appear on record as the sole owner thereof. The Debtor waives all rights to receive any notices or communications in respect of such Investment Property after Default.

12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Investment Property held therefore may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Lender sees fit or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Lender hereunder, including the Lender's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Lender to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement identifying Collateral or locations) as the Lender from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Lender and its officers from time to time, or any

one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Lender.

14. MISCELLANEOUS

- (a) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Lender sees fit, all without prejudice to the liability of the Debtor to the Lender or to the Lender's rights in respect thereof. In addition, the Lender may demand, collect, and sue on the Collateral in either the Debtor's or the Lender's name, all at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other Instruments pertaining to or constituting the Collateral;
- (b) Neither the execution or registration of this Agreement, nor the advance or re-advance of part of the monies hereby intended to be secured, shall bind the Lender to advance or re-advance the said monies or any unadvanced part thereof. The advance or re-advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Lender;
- (c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Lender;
- (d) Without limiting any other right of the Lender, whenever the Indebtedness is due and payable or the Lender has the right to declare it to be due and payable (whether or not it has been so declared), the Lender may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto; and
- (e) In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or may hereafter have against the Lender.

15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Lender is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the Lender, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

16. INTERPRETATION

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada having application in the Province of Alberta.

- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Lender. The Lender shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) If any provision of this Agreement is held invalid, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and this Agreement shall be enforced to the fullest extent permitted by law.
- (d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Lender's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Lender shall have the right to recover the full amount of the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Lender.
- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.
- (f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Lender without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Lender.
- (g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.
- (h) This Agreement shall enure to the benefit of the Lender, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted assigns. If more than one Debtor executes this Agreement, the obligations of the Debtor shall be joint and several.
- (i) Time shall be in all respects of the essence of this Agreement.

17. RECEIPT OF DOCUMENTS

- (a) The Debtor hereby acknowledges receiving a copy of this Agreement.
- (b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or Verification Statement which may be filed by or issued to the Lender pursuant to the Act.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the day and year first above written.

VISTA HEIGHTS MANAGEMENT LIMITED

Per: 

Name: John Weiler
Title: President

Per: 

Name: Mark Hilson
Title: Secretary and Treasurer

AUTHORIZED SIGNATORY(S)

SCHEDULE "A"

1. SPECIFICALLY DESCRIBED COLLATERAL

(a) Serial Number Goods - NIL

| <u>Make</u> | <u>Model</u> | <u>Year of Manufacturer</u> | <u>Serial Number</u> |
|-------------|--------------|---------------------------------|----------------------|
|-------------|--------------|---------------------------------|----------------------|

(b) Other - NIL

2. PURCHASE MONEY SECURITY INTERESTS

NIL

3. PERMITTED ENCUMBRANCES

The "Permitted Liens" as defined in the Credit Agreement (as defined in Schedule "D" attached hereto).

SCHEDULE "B"

PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL

NIL

SCHEDULE "C"

1. LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS

(a) Chief Executive Office

161 Bay Street, Suite 2430
PO Box 519
Toronto, Ontario M5J 2S1

(b) Other Locations

None

2. LOCATIONS OF RECORDS RELATING TO COLLATERAL

161 Bay Street, Suite 2430
PO Box 519
Toronto, Ontario M5J 2S1

3. LOCATIONS OF COLLATERAL

PLAN 7610289
BLOCK A
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

SCHEDULE "D"

ADDITIONAL COVENANTS, TERMS AND CONDITIONS

The additional covenants, terms and conditions set forth in the credit agreement dated as of June 20, 2013 among, *inter alios*, the Debtor, as borrower, and the Lender, as lender, as amended, modified, supplemented, restated or replaced, from time to time (the "Credit Agreement").

Dated: June ____, 2013

FROM:

VISTA HEIGHTS MANAGEMENT LIMITED

**TO: CONCENTRA FINANCIAL SERVICES
ASSOCIATION**

2055 Albert Street, P.O. Box 3030
Regina, Saskatchewan S4P 3G8

GENERAL SECURITY AGREEMENT

This is **Exhibit "G"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *CR*

Memorandum

A Notary Public in and for
the Province of Saskatchewan

**CDN. \$34,200,000 MORTGAGE BY
VISTA HEIGHTS MANAGEMENT LIMITED
IN FAVOUR OF CONCENTRA FINANCIAL SERVICES ASSOCIATION**

MORTGAGE
The Land Titles Act

RECITALS

WHEREAS:

- A. The Mortgagor is the registered owner or is entitled to become the registered owner of the Lands;
- B. The Mortgagee has agreed to lend an amount not to exceed the Principal Sum to the Mortgagor on the terms and conditions set out herein; and
- C. As security for repayment of the Principal Sum together with interest and performance of the covenants contained herein, the Mortgagor has agreed to grant this Mortgage in favour of the Mortgagee.

NOW THEREFORE in consideration of the covenants and promises contained herein, the Mortgagor and Mortgagee covenant each with the other as follows:

ARTICLE 1

1.1 **Definitions**

In this Mortgage:

- (a) "**Business Days**" means days other than Saturdays, Sundays and statutory holidays in the Province of Alberta;
- (b) "**Collateral Security**" means the additional and collateral security, if any, which may be required by the Mortgagee to be granted by the Mortgagor or others pursuant to the provisions of this Mortgage or the Credit Agreement, including, but without limiting the generality of the foregoing, the following:
 - (i) general assignment of leases and rents granted by the Mortgagor to and in favour of the Mortgagee regarding the Lands;
 - (ii) site-specific general security agreement granted by the Mortgagor to and in favour of the Mortgagee;
 - (iii) specific assignment of contract granted by the Mortgagor to and in favour of the Mortgagee;
 - (iv) Cdn. \$865,498 cash collateral agreement granted by the Mortgagor to and in favour of the Mortgagee; and
 - (v) such other additional and collateral security as provided by the Mortgagor or others to the Mortgagee, from time to time, in accordance with or pursuant to the Credit Agreement;
- (c) "**Credit Agreement**" means that certain credit agreement dated as of June 24, 2013 among, *inter alios*, the Mortgagee, as lender, and the Mortgagor, as borrower, as amended, modified, supplemented, restated or replaced, from time to time;
- (d) "**Hazardous Substances**" means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing:

- (i) radioactive materials;
 - (ii) explosives;
 - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant;
 - (iv) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
 - (A) endangers the health, safety or welfare of persons or the health of animal life;
 - (B) interferes with normal enjoyment of life or property; or
 - (C) causes damage to plant life or to property;
 - (v) toxic substances including, without restriction, urea formaldehyde foam insulation, asbestos and poly-chlorinated biphenyls; and
 - (vi) substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Mortgagor, the Mortgagee or the Lands;
- (e) **"Improvements"** means all improvements of every kind whether or not affixed to the Lands including without limitation all buildings, erections, improvements, machinery and plant, furnaces, boilers, elevators, escalators, mobile homes, plumbing, air conditioning, ventilating and refrigerating equipment, water heaters, wall to wall carpeting, plate glass, storm doors, storm windows, screens and screen doors and all apparatus and equipment appurtenant thereto whether moveable or stationery, with all proper, usual and necessary gears, tools, accessories, equipment and appliances, which are now or may hereafter be placed or installed upon the Lands;
- (f) **"Interest Rate"** means: (i) in respect of Advances under Tranche A, the interest rate set forth in the Tranche A Interest Rate Lock Letter; and (ii) in respect of Advances under Tranche B, the interest rate set forth in the Tranche B Interest Rate Lock Letter, with capitalized terms used in this definition of "Interest Rate" having the respective meanings ascribed thereto in the Credit Agreement;
- (g) **"Interest Adjustment Date"** has the meaning ascribed to such term in section 2.2(a) hereof;
- (h) **"Lands"** means that parcel or parcels of land situate in the Province of Alberta and legally described in Schedule "A" attached hereto, together with all Improvements;
- (i) **"Maturity Date"** means the Business Day that the Mortgage Monies are due for repayment pursuant to the Credit Agreement, any Collateral Security or hereunder;
- (j) **"Mortgage"** means this mortgage together with all Recitals and all Schedules attached hereto;
- (k) **"Mortgage Monies"** means the Principal Sum with interest thereon at the Interest Rate, together with all other monies secured by this Mortgage, including without restriction, any advances, fees or expenses made or incurred by the Mortgagee;

- (l) "**Mortgagee**" means CONCENTRA FINANCIAL SERVICES ASSOCIATION;
- (m) "**Mortgagee's Address**" means 2055 Albert Street, P.O. Box 3030, Regina, Saskatchewan, S4P 3G8, or such other address as the Mortgagee shall from time to time advise in writing;
- (n) "**Mortgagor**" means VISTA HEIGHTS MANAGEMENT LIMITED;
- (o) "**Mortgagor's Address**" means 161 Bay Street, Suite 2430, PO Box 519, Toronto, Ontario M5J 2S1 or such other address as the Mortgagor shall from time to time advise in writing;
- (p) "**Permitted Encumbrances**" means those encumbrances described in Schedule "A" attached hereto;
- (q) "**Prime Rate**" means the variable rate of interest (expressed as a percentage rate per annum on the basis of a 365 or 366 day year, as applicable) which the Mortgagee establishes and quotes from time to time as the reference rate for interest for determination of the interest rates it will charge for loans made in Canadian Dollars to its Canadian customers;
- (r) "**Principal Sum**" means the sum not to exceed \$34,200,000 in lawful money of Canada;
- (s) "**Prior Charge**" means any mortgage, lien, agreement for sale, encumbrance, interest in land or other charge or claim upon or with respect to the Lands which has or may have or which may acquire priority to this Mortgage, including, without restriction, the Permitted Encumbrances;
- (t) "**Real Estate Taxes**" means all taxes, local improvement charges, rates, assessments, levies, liens and penalties which are now or may hereafter be imposed or charged or be chargeable against or payable in respect of the Lands and shall include any levy or mortgage tax or principal and interest tax imposed or which may be imposed on this Mortgage or on the Mortgagee in respect of this Mortgage or on the monies secured by this Mortgage or on the Lands;
- (u) "**Receiver**" means any person or persons appointed by the Mortgagee in accordance with section 6.1 herein and includes a receiver, and a receiver and a manager; and
- (v) "**Term**" means the period of time from the first advance of the Principal Sum hereunder to and including the Maturity Date.

1.2 Preamble and Schedule Incorporated

The parties hereby confirm and ratify the matters contained and referred to in the preamble to this Mortgage and agree that same and Schedule "A" attached hereto are expressly incorporated into and form part of this Agreement.

1.3 Schedule

The schedule to this Agreement is as follows:

Schedule "A" - Lands and Permitted Encumbrances

ARTICLE 2

2.1 Loan of Principal Sum

The Mortgagee agrees to lend an amount not to exceed the Principal Sum to the Mortgagor upon the terms and conditions contained herein and as set forth in the Credit Agreement.

2.2 Repayment

- (a) The Mortgagor shall pay to the Mortgagee at the Mortgagee's Address, on and subject to the provisions of the Credit Agreement, the Principal Sum together with interest at the Interest Rate, calculated and payable monthly, not in advance, before and after maturity, default and judgment, with overdue interest at the Interest Rate from the date of advance of the Principal Sum, or such portion thereof (the "**Interest Adjustment Date**"), with the Mortgagor acknowledging that this Mortgage is given and taken as general and continuing collateral security for the indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee under the Credit Agreement; and
- (b) the Principal Sum and all other Mortgage Monies, or the amount thereof remaining unpaid, shall become due and be paid on the Maturity Date.

2.3 Payment of Interest, Principal under Credit Agreement

The Mortgagor shall pay to the Mortgagee interest at the Interest Rate in the manner aforesaid on the Mortgage Monies or on so much thereof as shall from time to time remain unpaid. In the event of non-payment of any of the Mortgage Monies at the time provided in the Credit Agreement, the Collateral Security or as herein set for payment thereof, the Mortgagor shall, so long as any part thereof remains unpaid, pay interest thereon at the Interest Rate from day to day on the same. All interest on becoming overdue shall be forthwith treated (as to payment of interest thereon) as principal and shall bear compound interest at the Interest Rate after as well as before maturity, default and the obtaining of any judgment by the Mortgagee to be payable on demand and all such interest and compound interest shall be a charge on the Lands.

ARTICLE 3

3.1 Insurance

- (a) The Mortgagor shall maintain insurance policies in accordance with the terms of the Credit Agreement.
- (b) The Mortgagee may in the event of any default effect such insurance and insure the Lands against loss or damage from any other cause whatsoever.
- (c) The Mortgagor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies, and all monies received by virtue of any policy or policies of insurance may at the sole option of the Mortgagee:
 - (i) be applied in or towards substantially rebuilding, reinstating and repairing the Lands;
 - (ii) be applied wholly or in part in reduction of the Mortgage Monies then remaining unpaid, notwithstanding that no amount at such time may be due and payable under the terms of this Mortgage;

- (iii) be paid over in whole or in part to the Mortgagor but no such payment shall operate as payment or a novation of the Mortgagor's indebtedness hereunder or as reduction of this Mortgage; or
- (iv) be applied partly in one way and partly in another as the Mortgagee in its sole discretion may determine.

Pending application of the insurance monies for the purpose aforesaid, the same shall be deemed to form part of the Mortgage Monies and be subject to the charge hereby created.

- (d) The Mortgagor hereby irrevocably appoints the Mortgagee as its attorney for the purpose of demanding, recovering and receiving payment of any and all insurance monies to which it may be or may become entitled. Without limiting the generality of the foregoing, the Mortgagee may, in the name of the Mortgagor:
 - (i) file proofs of claim with any insurer who shall insure the Lands;
 - (ii) settle or compromise any claim for insurance proceeds in respect of the Lands;
 - (iii) commence and prosecute any action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands; and
 - (iv) settle or compromise any such action in the name of the Mortgagor for recovery of insurance proceeds in respect of the Lands.

Notwithstanding anything herein contained it shall remain the responsibility of the Mortgagor to demand, recover and receive such payment and nothing herein shall render the Mortgagee liable to the Mortgagor for any act done by it in pursuance of the power of attorney hereby granted or for its failure to do any act or take any step.

- (e) The Mortgagor acknowledges that it is aware of the provisions of the Fire Prevention (Metropolis) Act of 1774, which provides that, in the case of loss or damage by fire, the Mortgagor at its discretion, may require that the insurance proceeds be utilized to rebuild, reinstate and repair the Lands, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof. It is further agreed, that in the event that the Mortgagee at its sole discretion has insurance monies applied to the Principal Sum secured hereby the payment of such sums will be subject to any prepayment provisions contained in this Mortgage.

3.2 Payment of Real Estate Taxes

The Mortgagor shall pay as they become due all Real Estate Taxes and shall submit to the Mortgagee tax receipts evidencing payment within thirty (30) days after they become due, provided that:

- (a) the Mortgagee may deduct from any advance of the Principal Sum an amount sufficient to pay any over due Real Estate Taxes;
- (b) the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices affecting the imposition of Real Estate Taxes forthwith after the receipt of same by the Mortgagor; and
- (c) if the Mortgagor defaults in payment of the Real Estate Taxes, the Mortgagee may, but shall not be obliged to, pay all Real Estate Taxes and all monies expended by the Mortgagee for such purpose, together with interest thereon at the Interest Rate, shall be

added to the Principal Sum (such interest to run from the date of payment by the Mortgagee), and shall be a charge upon the Lands and shall be repaid by the Mortgagor to the Mortgagee forthwith upon demand.

3.3 Maintenance and Repair of the Lands

- (a) The Mortgagor will not commit any act of waste upon the Lands nor do or permit to be done any act which may impair the value thereof.
- (b) The Mortgagor will take good and reasonable care of all buildings, structures and improvements now or hereafter from time to time erected on the Lands and without cost and expense to the Mortgagee will manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and will promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Lands, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements except as and when such damage would be ordinarily repaired by a prudent owner.
- (c) The Mortgagee by its agents, solicitors or inspectors may enter upon the Lands at any reasonable time to view the state of repair.
- (d) Should, in the opinion of the Mortgagee, the Lands not be in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee deems proper within a period of twenty (20) Business Days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such request, the Mortgagee may deem the Mortgagor to be in default hereunder and may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Lands for the purpose of doing such work with or without the Mortgagor's concurrence and the cost thereof shall be paid for by the Mortgagor upon demand and until paid shall be secured by this Mortgage, bear interest at the Interest Rate and be a charge upon the Lands in priority to the interest of the Mortgagor. Provided always, that should the Mortgagor have vacated or abandoned the Lands, or, should the Lands be occupied by a tenant or tenants who are failing to properly maintain and repair the same, and, the Mortgagee, in its sole discretion, deems it necessary to enter upon the Lands in order to properly maintain and preserve its security, then in such event, the Mortgagee shall be entitled to so enter and such action by the Mortgagee shall not constitute it a mortgagee in possession nor liable as such.
- (e) In the ownership and development of the Lands, the Mortgagor will observe and comply with all applicable federal, provincial and local bylaws, statutes, rules, ordinances, permits, regulations, orders, directions and restrictions affecting the Lands in force from time to time.

3.4 Miscellaneous Affirmative and Negative Covenants

- (a) The Mortgagor covenants and agrees that for so long as there shall remain any amount of the Mortgage Monies outstanding hereunder the Mortgagor will:
 - (i) comply with all terms, conditions and covenants set forth in the Credit Agreement;

- (ii) permit the Mortgagee to inspect the business premises, the property, assets and the books and records of the Mortgagor at all reasonable times;
 - (iii) keep the Lands of the Mortgagor free and clear of all taxes, assessments, liens and encumbrances, other than Permitted Encumbrances, and notify the Mortgagee promptly of any loss or damage of or to the Lands or any material asset located thereon. The Mortgagee may pay off the whole or any part of any lien, mortgage, contract, debt, charge and encumbrance with which the Lands or any part thereof may be charged or affected, whether validly or not, and all moneys so paid by the Mortgagee together with all expenses of the Mortgagee in connection with any such payment shall be forthwith added to the Principal Sum and shall bear interest at the Interest Rate per annum and shall be forthwith due and payable by the Mortgagor to the Mortgagee and default in payment thereof shall constitute default thereunder; and
 - (iv) provide safe storage and properly care for the property and assets of the Mortgagor and make all proper repairs thereto and at all times use, operate and enjoy the same strictly in accordance with all laws from time to time in force.
- (b) The Mortgagor covenants and agrees that for so long as there shall remain any amount of the Mortgage Monies outstanding hereunder, it will not, without the prior written consent of the Mortgagee or in accordance with the Credit Agreement:
- (i) amend its Articles of Incorporation, By-Laws or constating documents, amend any material agreement or commitment of the Mortgagor or enter into any agreement or commitment, the effect of which would be to prohibit or make improper payment of the Mortgage Monies created hereby;
 - (ii) sell, convey, transfer, lease or otherwise dispose of all or substantially all of the Lands, its assets or enter into any arrangement to merge, consolidate, or permit the sale of all or substantially all of the shares of the Mortgagor; or
 - (iii) permit any change in any of its business objectives, purposes or operations other than changes which in the aggregate would have no material adverse effect on the Mortgagor.

3.5 Change of Use

The Mortgagor will not change or permit to be changed the use of the Lands without the prior written consent of the Mortgagee.

3.6 Fixtures

All Improvements shall, immediately upon being placed on the Lands, become fixtures and form a part of the realty and of the security of these presents, and are included in the expression the "Lands", where used in this Mortgage.

3.7 Hazardous Substances

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

- (a) neither the Mortgagor, nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Substances to be placed, held, located or disposed of on, under or at the Lands, save and except as disclosed to the Mortgagee in writing;

- (b) it shall not allow any Hazardous Substances to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Mortgagee which consent may be arbitrarily or unreasonably withheld;
- (c) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the disposal and emission of Hazardous Substances;
- (d) to the extent, that Hazardous Substances are, with the Mortgagee's consent, placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Mortgagor shall:
 - (i) comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances;
 - (ii) at the request of the Mortgagee, provide evidence to the Mortgagee of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Mortgagee may reasonably require, all at the expense of the Mortgagor;
- (e) without restricting the generality of the foregoing, in the event that gasoline or other storage tanks are located under or on the Lands, the Mortgagor shall:
 - (i) maintain and repair such storage tanks in a manner satisfactory to the Mortgagee; and
 - (ii) at the request of the Mortgagee, assign any warranties or guarantees received from the manufacturer or installer of such storage tanks in favour of the Mortgagee as additional security.

3.8 Indemnity

The Mortgagor hereby indemnifies and saves harmless the Mortgagee and its successors and assigns from and against any and all losses, liabilities, damages, costs and expenses of any kind whatsoever, including, without limitation:

- (a) the costs of defending, counter-claiming or claiming against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;
- (b) any cost, liability or damage arising out of a settlement of any action entered into by the Mortgagee with or without the consent of the Mortgagor; and
- (c) the costs of repair, clean-up or restoration paid by the Mortgagee and any fines levied against the Mortgagee;

which at any time or from time to time may be paid, incurred or asserted against the Mortgagee, as a direct or indirect result of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release, of Hazardous Substances from the Lands either onto any lands (including the Lands), into the atmosphere or into any water. This indemnification shall survive the satisfaction, release or enforcement of this Mortgage or Collateral Security and the full repayment of the Mortgage Monies.

ARTICLE 4

4.1 Mortgagor's Representations and Warranties

The Mortgagor represents and warrants to the Mortgagee that:

- (a) the Mortgagor has a good title to the Lands;
- (b) the Mortgagor has the right to mortgage the Lands;
- (c) on default and upon the Mortgagee exercising any of the remedies set forth in section 5.2, the Mortgagee shall have quiet possession of the Lands, free from all encumbrances (except the Permitted Encumbrances);
- (d) the Mortgagor will execute such further assurances with respect to the Lands as may be required by the Mortgagee;
- (e) the Mortgagor has done no act to encumber the Lands (except the Permitted Encumbrances);
- (f) all balance sheets, statements of profit and loss and other financial data that have been furnished by the Mortgagor to the Mortgagee fairly present the financial condition of the Mortgagor and the results of its operations; all other information, reports, papers and data furnished to the Mortgagee are accurate and correct in all material respects and complete insofar as completeness may be necessary to give the Mortgagee a true and accurate knowledge of the subject matter; and there has been no change in the assets, liabilities or financial condition of the Mortgagor from that set forth in the most recent financial statements furnished by the Mortgagor to the Mortgagee other than changes in the ordinary course of business, none of which changes has been materially adverse; and
- (g) having due regard to all restrictions contained in the Articles of Incorporation, By-Laws or constating documents of the Mortgagor and all outstanding agreements and commitments of the Mortgagor, the Mortgagor has the power and authority to become indebted to the Mortgagee in the manner provided herein, and the Board of Directors or other governing body of the Mortgagor has taken all steps necessary to make proper the creation of the indebtedness evidenced hereby and the Mortgagor's performance hereunder in accordance with the terms and conditions hereof including, but not limited to the mortgaging, pledging, assigning, charging or encumbering of the Lands of the Mortgagor.

ARTICLE 5

5.1 Events of Default

Time is of the essence of this Mortgage. The whole or any part of the unpaid balance of the Mortgage Monies shall become due and be immediately payable and the security hereby constituted shall become enforceable at the option of the Mortgagee upon the occurrence and continuation of any event of default under and pursuant to Section 9 of Schedule "C" to the Credit Agreement.

5.2 Remedies on Default

In addition to the provisions of Article 6, in the event of default being made in any of the covenants, agreements, provisos, payments or stipulations expressed or implied herein, then, subject to any applicable curative period set forth in the Credit Agreement:

- (a) the Mortgagee may, at its option, and at the Mortgagor's expense and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenant, agreement, proviso or stipulation;
- (b) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Lands and a solicitor to examine and report upon the title to the same, all at the expense of the Mortgagor;
- (c) it shall and may be lawful for, and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Lands or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Lands as much of the Mortgage Monies as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (d) the Mortgagee may, at its option, sell, lease, mortgage or otherwise dispose of or deal with the Mortgagor's interest in and to the Lands, without entering into possession of the same. Any sale, lease or mortgage made under the powers hereby given may be on such terms as to credit or otherwise as shall in the opinion of the Mortgagee be most advantageous and for such price as can be reasonably obtained therefor and such sale may be made of any portion or portions of the Lands, from time to time. The Mortgagee may make any stipulation as to title or otherwise as the Mortgagee may deem proper and the Mortgagee may rescind or vary any contract for sale of any of the Lands and resell without being responsible for any loss occasioned thereby. The proceeds of any sale shall be applied in payment of the Mortgage Monies, all legal costs of the Mortgagee as between a solicitor and his own client on a full indemnity basis and the balance, if any, to be paid to the Mortgagor. Any such sale shall be absolutely conclusive as against the Mortgagor or any persons claiming by, from, through or under the Mortgagor and its assigns and in the event 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 or charged with any monies until the same shall be actually received by it in cash;
- (e) the whole of the Mortgage Monies shall, at the option of the Mortgagee, become due and payable;
- (f) the Mortgagee may take such proceedings to realize on the Mortgagee's security created by this Mortgage or the Collateral Security by foreclosure or otherwise as the Mortgagee may by law be entitled to do;
- (g) the Mortgagee may exercise each of the foregoing powers, together with all other rights and powers provided for in this Mortgage, without notice to the Mortgagor; and
- (h) the exercise or the attempted exercise of one or more of the Mortgagee's rights or remedies hereunder shall not affect, delay or prejudice any other rights or remedies nor operate as a waiver thereof, and any or all of the said rights or remedies may be exercised concurrently or successively.

5.3 Remedies Cumulative

Each and every right, remedy, and power granted to the Mortgagee hereunder shall be cumulative and in addition to any other right, remedy, or power herein specifically granted or now or hereafter existing in equity, at law, by virtue of statute, or otherwise and may be exercised by the Mortgagee from time to time concurrently or independently and as often and in such order as the Mortgagee may deem expedient. Any failure or delay on the part of the Mortgagee in exercising any such right, remedy, or power, or

abandonment or discontinuance of steps to enforce the same, shall not operate as a waiver thereof or affect the Mortgagee's right thereafter to exercise the same, and any single or partial exercise of any such right, remedy, or power shall not preclude any other or further exercise thereof or the exercise of any other right, remedy, or power.

5.4 No Merger

- (a) The giving and taking of this Mortgage shall in no way merge or affect any other security or securities, including the Collateral Security, that may have been, or that may hereafter be given in respect of any amount secured by this Mortgage, or any part thereof, or impair or affect any such security or securities or any remedy thereunder, and all rights and remedies which the Mortgagee now has or may hereafter have against the Mortgagor or any other person or entity are hereby reserved. The Mortgagor agrees that the taking of a judgment or judgments on any covenant contained herein or on any covenant which is set forth in any other security for payment of the Mortgage Monies or performance of the obligations hereby secured or the entering into of any arrangement, including the granting of time, compromise, release or discharge or the termination of any causes of action, claim or right whatsoever by the Mortgagee against the Mortgagor or any other person or entity, whether prejudicial or beneficial to any one or more of them, shall not operate as a merger of such covenant or affect the rights or remedies of the Mortgagee including, without limitation, or affect the Mortgagee's right to interest at the Interest Rate on any monies which are owing to the Mortgagee and such judgment shall provide that interest thereon shall be computed at the Interest Rate in the same manner as provided for herein until the judgment has been paid in full.
- (b) The Mortgagor acknowledges that it is aware of the provisions of the *Judgment Interest Act*, R.S.A. 2000, c. J-1, dealing with the award of interest from the date a cause of action arises to the date of judgment, and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof, and agrees to pay interest in accordance with the terms of this Mortgage, both before and after default, maturity and judgment.

5.5 Release

The Mortgagee may at any time release any part of the Lands, or any of the covenants and agreements herein contained, or any Collateral Security, either with or without any consideration therefor and without being accountable either for the value thereof, or for any money except that which is actually received, and without thereby releasing or affecting any other of the Lands or any of the other covenants or agreements herein contained or releasing any guarantor or any other security.

5.6 No Obligation to Advance

Subject to the Credit Agreement, neither execution nor registration nor acceptance of this Mortgage, nor the advance of part of the Principal Sum shall bind the Mortgagee to advance the Principal Sum or any unadvanced portion thereof, but nevertheless this Mortgage shall take effect forthwith on its execution 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. In all events, the advance of the Principal Sum or any part thereof from time to time shall be in the sole, absolute, unfettered and unqualified discretion of the Mortgagee.

5.7 Additional Charges

All solicitor's, inspector's, valuator's and surveyor's fees and expenses for drawing and registering this Mortgage and for examining the Lands and the title thereto, and for making or maintaining this Mortgage

as a valid and subsisting charge (subject only to the Permitted Encumbrances) on the Lands, together with all sums which the Mortgagee may and does from time to time advance, expend or incur hereunder as principal, insurance premiums, Real Estate Taxes, rates or in or toward payment of any Prior Charge, or in maintaining, repairing, restoring or completing the development of the Lands, and in inspecting, leasing, managing, or improving the Lands, including the price or value of any goods of any sort or description supplied to be used on the Lands, 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 a solicitor and his own client, expenses of the Mortgagee, or of any agent, solicitor or servant of the Mortgagee, for any purpose herein provided or whether or not 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 Lands, together with interest thereon at the Interest Rate, and all such monies shall be repayable to the Mortgagee on demand. It is the express intention and agreement of the Mortgagor and Mortgagee that the Mortgagor shall fully and totally indemnify the Mortgagee for all costs, expenses, charges and monies of any nature whatsoever either directly or indirectly arising out of or associated with this Mortgage.

5.8 Right of Subrogation

In the event of the Principal Sum 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 of and be entitled to all the equities of the party so paid 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 shall be final and binding on the Mortgagor.

5.9 Monies Received or Collected

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

5.10 Discharge

Any discharge of this Mortgage shall be prepared by the solicitor of the Mortgagee and the Mortgagee shall have a reasonable time after receipt of payment in full within which to have prepared and to execute such discharge.

5.11 Exercise of Discretion

Any discretion, option, decision or opinion hereunder on the part of the Mortgagee shall be sufficiently exercised or formed if exercised, or formed by or subsequently ratified by the manager or acting manager for the time being of the Mortgagee at Calgary, Alberta or by an executive officer of the Mortgagee, or any officer or agent appointed by the Mortgagee for that purpose.

5.12 Default Under Prior Charge

If the Mortgagor makes default in the performance of the covenants, payments or conditions contained in any Prior Charge then such default shall constitute a default hereunder and the Mortgage Monies shall, at the option of the Mortgagee, become forthwith due and payable without notice or demand. The Mortgagee shall be at liberty in the event of such default, but shall not be obligated, to pay any arrears or other sums payable under the Prior Charge, or pay off all or any portion of the principal or interest thereby secured. Any amounts so paid by the Mortgagee shall:

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

For the purposes of tendering any arrears or other sums payable to a holder of a Prior Charge, the Mortgagor hereby irrevocably appoints the Mortgagee its agent for such purpose and irrevocably directs the Mortgagee to tender such monies upon the holder of a Prior Charge, in the name of and on behalf of the Mortgagor, and in this regard the Mortgagor hereby assigns unto the Mortgagee, its equity of redemption, if any, with respect to the Prior Charge together with the statutory right of redemption given to the Mortgagor by the provisions of Section 38 of the *Law of Property Act*, R.S.A. 2000, c. L-7. It is the intention of the parties that the Mortgagee shall have the same rights and powers but not the liabilities as the Mortgagor under and pursuant to the terms of the Prior Charge so that the Mortgagee will be in a position to take whatever steps are necessary to bring the Prior Charge into good standing once a default has occurred thereunder. This assignment is not intended to encompass the Mortgagor's entire interest in the Prior Charge, but only to the extent hereinbefore stipulated. Nothing herein contained shall create an obligation upon the Mortgagee to cure any default on behalf of the Mortgagor.

5.13 Attornment

For better securing the punctual payment of the Mortgage Monies, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Lands at a monthly rental equivalent to the proportionate monthly amount of the Mortgage Monies secured hereby, the same to be paid on each day appointed for the payment of the Mortgage Monies pursuant to the Credit Agreement, and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or shall take the benefit of any statute relating to bankruptcy or insolvent debtors then such rental shall, if not already payable, be payable immediately thereafter. The legal relationship of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor. The Mortgagee may at any time after default hereunder enter upon the Lands, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit; but neither this clause nor anything done by virtue thereof shall render the Mortgagee a mortgagee in possession or accountable for any monies except those actually received.

5.14 Expropriation and Condemnation

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

- (b) The Mortgagor acknowledges that it is aware of the provisions of Sections 49 and 52 of the *Expropriation Act*, R.S.A. 2000 c. E-13, and any amendments thereto and hereby waives the benefit of such provisions or any legislation similar thereto or in replacement thereof and in addition the Mortgagor covenants to pay to the Mortgagee the difference between the Mortgage Monies and the monies paid by the expropriating authority to the Mortgagee together with interest thereon at the Interest Rate both before and after maturity, default, acceleration and the obtaining of any judgment by the Mortgagee.
- (c) Notwithstanding the foregoing subsections (a) and (b) the Mortgagee shall be at liberty, at its sole option, to declare the whole of the Mortgage Monies as being immediately due and payable in the event that any portion of the Lands shall be the subject matter of an expropriation proceeding that would reasonably be expected to have a Material Adverse Effect.
- (d) Any monies awarded by an order of either the Land Compensation Board or the Surface Rights Board with respect to all or any part of the Lands to the extent of the full amount of the Mortgage Monies are hereby assigned by the Mortgagor and shall be paid forthwith to the Mortgagee, its successors and assigns.

ARTICLE 6

6.1 Appointment of Receiver

If the Mortgagor shall be in default under this Mortgage or under any Collateral Security given by the Mortgagor to the Mortgagee, then the Mortgagee may by instrument in writing or by obtaining an order of the court, appoint any person or persons, whether an officer or officers or employee or employees of the Mortgagee, or not, to be a Receiver of the Lands and assets which are charged in favour of the Mortgagee and the rents and profits derived therefrom or any portion or part thereof, at the Mortgagee's sole discretion. The Mortgagee may remove any Receiver so appointed and appoint another or others in his or their stead. The following provisions shall apply to this paragraph:

- (a) a Receiver so appointed is conclusively the agent or agents of the Mortgagor and the Mortgagor shall be solely responsible for the acts or defaults and for the remuneration and expenses of the Receiver. The Mortgagee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver;
- (b) nothing contained herein and nothing done by the Mortgagee or by a Receiver shall render the Mortgagee a mortgagee in possession or responsible as such;
- (c) all monies received by the Receiver, after providing for payment and charges ranking prior to this Mortgage and for all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver as hereinafter set forth, shall be applied in or towards satisfaction of the monies owing pursuant to this Mortgage;
- (d) the Receiver so appointed may but shall not be obligated to:
 - (i) take possession of, collect and get in the property, rents and profits charged by this Mortgage and any Collateral Security granted by the Mortgagor to the Mortgagee and for that purpose to take any proceedings, be they legal or otherwise, in the name of the Mortgagor or otherwise;
 - (ii) carry on or concur in carrying on the business which the Mortgagor is conducting on and from the Lands;

- (iii) lease or re-lease all or any portion of the Lands for any term, and on any condition, and with or without a premium, and for this purpose may execute contracts in the name of the Mortgagor which said contracts shall be binding upon the Mortgagor;
- (iv) borrow monies for the purpose of carrying on the business of the Mortgagor on the Lands, the maintenance and preservation of the Lands or any part thereof, the payment of taxes, wages and other charges ranking in priority to this Mortgage or for other purposes approved by the Mortgagee and any money so borrowed shall be repaid by the Mortgagor on demand and until repaid shall bear interest thereon at the Interest Rate and form a charge upon the Lands;
- (v) receive the revenues, incomes, issues and profits of the Lands and to pay therefrom all expenses, charges and borrowings incurred or payable in carrying on the business as it relates to the Lands and all taxes, assessments and other charges against the Lands, payment of which may be necessary to preserve the Lands and the balance, if any, shall be held and applied in the same manner as if the same arose from a sale or realization of the Lands;
- (vi) sell and dispose of any or all of the Lands at public auction or by tender at such time and on such terms and conditions as the Receiver shall determine or to sell and dispose of any or all of the Lands by private contract and in any event for cash or upon credit and secured or otherwise as the Receiver may deem proper and to deliver to the purchaser or purchasers of the Lands good and sufficient deeds or title document for the same, the Receiver being hereby constituted the irrevocable attorney of the Mortgagor for the purpose of making such sale and executing such deeds and transfer documents and any such sale shall be absolute and conclusive as against the Mortgagor or any persons claiming by, from, through or under the Mortgagor and its assigns and in the event 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 or charged with any monies until the same shall be actually received by it in cash; and the Receiver may vary and rescind any contract for sale made by virtue of these presents and may buy and resell the Lands or part thereof, either by private sale or public auction without the Mortgagee or Receiver being responsible for any loss or deficiency on resale or expense occasioned thereby and for such purposes the Receiver may make and execute all agreements and assurances that the Receiver shall deem advisable or necessary;
- (vii) make any arrangement or compromise which the Receiver shall deem expedient;
- (viii) sue or defend any action in the name of the Mortgagor;
- (ix) exercise all or any of the powers or rights incident to the ownership of the Lands;
- (x) employ or retain for the execution of the duties and powers conferred upon the Receiver hereunder, such agents, assistants, professional advisors or other persons as required on the terms and at the remuneration the Receiver considers proper;
- (xi) carry on and complete any construction commenced by the Mortgagor and be in charge of completion of any further construction on the Lands;
- (xii) release any of the Lands which in the Receiver's opinion are unprofitable or unrealizable or a source of loss or danger to the Mortgagor or the Mortgagee;

- (xiii) exercise all rights and powers of the Mortgagor hereunder and to act generally in relation to the Lands in such manner and on such terms as may seem expedient in the best interests of the Mortgagee;
 - (xiv) assent to the modification of any contract or agreement which may be subsisting in respect of the Lands; or
 - (xv) enter into, make, execute and sign all such contracts, agreements, transfers, conveyances, assurances, instruments, and do all such things and bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Lands as the Mortgagee may deem expedient;
- (e) the rights and powers conferred by this section are supplemental to and not in substitution for any other rights which the Mortgagee may have from time to time;
 - (f) the Receiver appointed hereunder shall not be obligated to take possession or control of the whole of the business of the Mortgagor. Rather, the Mortgagee's right to appoint shall be restricted to the Lands and the rents, profits and any business deriving therefrom;
 - (g) the Mortgagor shall yield up possession of the Lands and the conduct of its business in connection therewith to the Receiver so appointed upon demand and shall facilitate by all legal means the actions of the Receiver and shall not interfere with the carrying out of the powers hereby granted to the Receiver and the Mortgagor shall forthwith by and through its officer and directors execute such documents and transfers as may be necessary to place the Receiver in legal possession of the Lands and thereupon all the powers and functions, rights and privileges of each and every of the directors and officers of the Mortgagor shall cease and determine with respect to the Lands; and
 - (h) the Mortgagee may from time to time fix the remuneration of every such Receiver and direct the payment thereof out of the Lands or the proceeds thereof and if paid by the Mortgagee, such remuneration and all expenses incurred by any Receiver shall be a charge upon the Lands and shall be repaid by the Mortgagor to the Mortgagee forthwith upon demand, and shall bear interest at the Interest Rate until paid.

6.2 Appointment of Attorney

If the Mortgagor shall be in default in the observance or performance of any of the terms, covenants, conditions or payments described herein, then the Mortgagor hereby irrevocably appoints the Mortgagee, or its agent or employee or any Receiver appointed as aforesaid (the choice of which shall be at the election of the Mortgagee, in its sole and absolute discretion) to be its attorney, in its name and on its behalf to execute and perform any conveyances, assurances and things which the Mortgagor ought to execute and perform under the covenants herein contained and generally to use the name of the Mortgagor in the exercise of any of the powers hereby conferred on the Mortgagee and any Receiver and without limiting the generality of the foregoing, the Mortgagee and any Receiver appointed as aforesaid are hereby appointed pursuant to Section 115 of the *Land Titles Act*, R.S.A. 2000 c. L-4 as amended or replaced by substitute legislation from time to time, as the Mortgagor's attorney to execute and deliver, under seal of the Mortgagor, or by the hand and under the seal of the Mortgagee or the Receiver, any agreements, instruments and assurances as the Mortgagee sees fit, for any and all purposes and for the purpose of carrying out the Mortgagee's power of sale contained herein. Any attorney appointed pursuant to this section shall be entitled, in its capacity as attorney, to exercise all of the powers conferred upon a Receiver hereunder, in addition to any other powers the attorney may have hereunder.

ARTICLE 7

7.1 Condominium

If the Lands or any portion thereof is now subject to or becomes subject to a condominium plan duly created pursuant to the provisions of the *Condominium Property Act*, R.S.A. 2000 c. C-22, and amendments thereto, then:

- (a) the Mortgagor hereby fully and absolutely assigns, transfers and sets over unto the Mortgagee, any and all of the Mortgagor's voting rights now existing or which may come into existence with respect to the Lands, and with respect to the condominium corporation of which the Mortgagor is a member by virtue of the Mortgagor's ownership of the condominium unit being charged by this Mortgage (herein sometimes called the "**Condominium Corporation**") whether such voting rights arise under the *Condominium Property Act*, R.S.A. 2000, c. C-22, or any amendments thereto, or any legislation passed in addition thereto, or in substitution therefor, under the Bylaws of the Condominium Corporation, under any agreement with the Condominium Corporation or otherwise howsoever. The Mortgagor covenants and agrees to execute any materials or documentation which in the sole opinion of the Mortgagee are necessary or advisable to give full effect to such assignment, transfer and setting over of the voting rights. Provided, however, that if the Mortgagee is not present in person or by proxy, or if present, does not wish to vote, then the Mortgagor may without further authority exercise all voting rights other than the right to vote on any matter requiring a unanimous resolution. Provided further that the Mortgagee may, by notice in writing to the Mortgagor, revoke and terminate all voting rights and privileges of the Mortgagor;
- (b) it is further stipulated, provided and agreed that notwithstanding anything to the contrary herein contained:
 - (i) the Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall observe and perform each and every one of the covenants and provisions required to be performed under or pursuant to the terms of this Mortgage, the *Condominium Property Act*, R.S.A. 2000, c. C-22 and all amendments thereto and any legislation passed in addition thereto or in substitution therefor, the bylaws of the Condominium Corporation and any amendments thereto, and under any agreement between the Mortgagor and the Condominium Corporation; and
 - (ii) without limiting the generality of the foregoing subsection, the Mortgagor covenants to pay promptly when due any and all assessments, instalments or payments owing to the Condominium Corporation by an owner of a condominium unit;
- (c) the Mortgagor further covenants and agrees that where the Mortgagor defaults in the Mortgagor's obligations to contribute to the common expenses assessed or levied by the Condominium Corporation or any authorized agent on its behalf, or any assessment, instalment or payment owing to the Condominium Corporation, or upon breach of any covenant or provision hereinbefore in this Section contained, then regardless of any other action or proceeding taken or to be taken by the Condominium Corporation, the Mortgagee, at its option and without notice to the Mortgagor:
 - (i) may, but shall not be obliged to, pay such contribution to the common expenses, assessment, instalment or payment owing to the Condominium Corporation or rectify any such default or breach by the Mortgagor and all monies so paid and expended by the Mortgagee shall be secured hereby and shall be a charge on

the Lands together with interest thereon at the Interest Rate and all such monies shall be repayable to the Mortgagee on demand; and

- (ii) may deem such default to be a default under the terms of this Mortgage and proceed to exercise its rights hereunder; and
- (d) upon default herein and notwithstanding any other right of action of the Condominium Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any assessments, instalments and payments due to the Mortgagee or arising under any of the foregoing paragraphs.

ARTICLE 8

8.1 Interpretation

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

8.2 Permitted Encumbrances

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

8.3 Renewal or Extension

If the Mortgagee shall agree to renew or extend the term of this Mortgage, then such renewal or extension and the rate of interest, term, payments and other stipulations of such renewal or extension shall be binding upon the Mortgagor, the Mortgagor's successors in title, encumbrancers and others interested in the Lands, whether or not the renewal or extension is registered as an amending agreement or by way of caveat at the Land Titles Office, and whether or not the rate of interest, payments or amortization period applicable during the renewal or extension term is greater than or less than the rate, payments or amortization period stipulated in this Mortgage. The Mortgagor shall forthwith upon request by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all postponements and other assurances as the Mortgagee may require in order to ensure the foregoing. All renewals shall be done at the Mortgagor's legal expense on a solicitor and his own client basis. Such renewal, even if made by a successor in title to the Mortgagor named herein, shall in no way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal. In the event that the Mortgage is renewed as aforesaid, the Mortgage, as renewed, shall be deemed to be dated as at the date of maturity of this Mortgage or the Mortgage as previously renewed, as the case may be, for the purposes of prepayment only.

No extension of time given by the Mortgagee to the Mortgagor or alteration of interest rate or principal payments or any other dealing by the Mortgagee with the owner of the Lands shall in any way prejudice or affect the rights of the Mortgagee against the Mortgagor or the Mortgagor's assigns, or anyone claiming under the Mortgagor or any other persons.

8.4 Credit Agreement Not Merged

The provisions of the Credit Agreement are not superseded by or merged in the execution or registration of the Mortgage or any Collateral Security and the provisions of the Credit Agreement shall remain in full force and effect until all of the conditions thereof to be observed and performed by the Mortgagor have been fully paid and satisfied, provided however that in the event of a conflict between the terms of the Credit Agreement and the terms of this Mortgage or the Collateral Security, the provisions of the Credit Agreement shall prevail.

8.5 Governing Law

This Mortgage shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Courts of the Province of Alberta shall have exclusive jurisdiction over any dispute or matter arising herefrom.

8.6 Financial Records

If the Mortgagor carries on a commercial or industrial enterprise upon the Lands then:

- (a) The Mortgagor shall provide the information and reporting requirements contemplated by the Credit Agreement;
- (b) The Mortgagor covenants and agrees during the continuance of this Mortgage to maintain proper records and books of account with respect to the revenues and expenditures in relation to the Lands and to permit the Mortgagee or any person appointed by the Mortgagee for that purpose to examine such records and books at all reasonable times and to make copies or extracts therefrom, and to give to the Mortgagee all information with regard to the revenues and expenditures in relation to the Lands which the Mortgagee may reasonably require; and
- (c) The Mortgagee shall at any time and from time to time at its own expense, be at liberty to have an audit made of the books and accounts of the Mortgagor, related to the Mortgagor's operations with respect to the Lands, and for such purposes the Mortgagor shall make available to the Mortgagee and its accountants all books of account and records and all vouchers, books, papers and documents which may relate to the Lands.

8.7 Collateral Security

As additional and collateral security for the repayment of the monies hereby secured and the performance of the covenants contained herein, the Mortgagor shall execute and deliver or cause to be delivered to the Mortgagee the Collateral Security. None of the rights or remedies of the Mortgagee under this Mortgage or under the Collateral Security shall be merged in, waived, delayed, impaired, prejudiced or suspended by any such additional security or any act of the Mortgagee pursuant thereto.

8.8 Default Under Collateral Security

- (a) If the Mortgagor or any guarantor makes default under any Collateral Security then the same shall constitute default under this Mortgage and the Mortgagee shall be at liberty to exercise its rights under this Mortgage and under any Collateral Security, either successively or concurrently, to the same extent as if the time for payment of the Principal Sum and other monies hereby secured had fully come and expired.
- (b) It is understood and agreed that a default by the Mortgagor hereunder or under the Collateral Security shall constitute a default under all other instruments or agreements, if any, securing or evidencing the loan herein or any indebtedness, present or future, of the

Mortgagor to the Mortgagee and a default by the Mortgagor under any such instruments or agreements shall constitute a default hereunder.

8.9 Notices

- (a) All notices, requests, demands, pleadings, judicial documentation and any other communications required to be served or given by the terms of this Mortgage or by the Rules of Court of Alberta, the *Judicature Act*, R.S.A. 2000, c. J-2, and any amendments thereto, the *Law of Property Act*, R.S.A. 2000, c. L-7, and any amendments thereto, or any other statute, as a result of a default by the Mortgagor including but not restricted to any Statement of Claim issued by the Mortgagee or a Mortgagee's Notice of Motion requesting enforcement of its rights hereunder (the "**Notice**"), shall be sufficiently served either personally or by prepaid registered mail addressed to the Mortgagor at the Mortgagor's Address or, if to the Mortgagee, at the Mortgagee's Address. The Notice shall be conclusively deemed to have been received by the addressee three (3) Business Days after mailing thereof as aforesaid; provided that in the case of any real or reasonably apprehended interruption of the mail, service may be by telegraph, telex, facsimile or other operative form of electronic written telecommunication (in which case the addressee shall be conclusively deemed to have received the same on the day upon which, in the ordinary course of such telecommunication, the same would have been received).
- (b) No want of notice or publication when required by this Mortgage or by any statute nor any impropriety nor irregularity shall invalidate any sale made or purported to be made under this Mortgage.

8.10 Receipt Acknowledged

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

8.11 Charge

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

8.12 Due on Sale

In the event that the Mortgagor shall sell, convey, transfer or assign (or purport to do so) the Lands or any portion thereof or interest therein to a purchaser, transferee or assignee without first obtaining the Mortgagee's consent in writing, then, at the Mortgagee's option, the Mortgage Monies shall become immediately due and payable, without the necessity of a prior demand. Such consent may not be unreasonably or arbitrarily withheld. Failure to exercise the aforesaid option shall not be deemed or construed to be an acceptance by the Mortgagee of the aforesaid purchaser, transferee or assignee, nor shall such failure be or constitute or operate as a release, waiver or discharge of any personal covenants contained in this Mortgage or any Collateral Security, nor shall such failure prejudice or affect the enforcement of such personal covenants, nor shall such failure operate as a release or discharge of this Mortgage or any surety of or for this Mortgage. Any promise to pay, written or verbal acknowledgement of the indebtedness outstanding hereunder, or part payment of the Mortgage Monies by any of the Mortgagor's successors in title to the Lands shall be conclusively deemed to be made on behalf of the Mortgagor and any successors in title, as the case may be, as its agent for the purpose of furnishing a fresh starting point for the running of any limitation period.

If the Mortgagor or any other party who becomes liable to perform and observe the covenants herein should be a corporation, then any direct or indirect transaction or dealing whatsoever which affects the share structure or share ownership of such corporation and which results in a change in control, either

legal or beneficial, of the shareholdings of that corporation shall constitute an event as hereinbefore described such that the Mortgagee's prior written consent as aforesaid is to be obtained, failing which, at the Mortgagee's sole option, the Mortgage Monies shall become immediately due and payable, without the necessity of a prior demand.

8.13 Unenforceable Terms

If any term, covenant or condition of this Mortgage or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this Mortgage or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Mortgage shall be valid and shall be enforceable to the fullest extent permitted by law.

8.14 Further Advances and Readvances by Mortgagee

This Mortgage shall be a continuing security and charge for the Principal Sum and all sums of money owed by the Mortgagor to the Mortgagee from time to time pursuant to the provisions of this Mortgage, notwithstanding the balance hereunder may be fluctuating and even may from time to time be or have been reduced to a "nil" balance, and notwithstanding monies advanced may be repaid and further advances made and shown from time to time. This Mortgage shall remain in full force and effect until discharged by the Mortgagee, it being the intention of the parties that the amount owing under this Mortgage may be either increased or decreased from time to time but not to exceed the total Principal Sum. For the purposes of subsection 104(1) of the *Land Titles Act*, R.S.A. 2000 c. L-4 as amended or replaced by substitute legislation from time to time, it is hereby declared by and agreed between the Mortgagor and the Mortgagee that this Mortgage shall be held by the Mortgagee as continuing collateral security for a revolving line of credit up to the Principal Sum.

8.15 General

Mortgagor further covenants and agrees that:

- (a) This Mortgage and all its provisions shall enure to the benefit of the Mortgagee, its successors and assigns, and shall be binding upon the Mortgagor, its successors and assigns.
- (b) The Mortgagee shall at all times have the right to offset and apply any and all credits, moneys and properties of the Mortgagor in the Mortgagee's possession or control against any obligations of the Mortgagor to the Mortgagee. All payments by the Mortgagor or other funds of the Mortgagor held or received by the Mortgagee, other than regular monthly instalments of principal and interest on this Mortgage, and applied by the Mortgagee to any indebtedness hereunder, shall be applied to the last maturing instalments under this application without penalty.
- (c) Prepayment of the Mortgage Monies, or any portion thereof, may only be made by the Mortgagor on and subject to the specific provisions of the Credit Agreement regarding such prepayment.
- (d) The Mortgage Monies hereby secured will be paid without regard to any equities between the Mortgagor and the Mortgagee or any set-off or cross-claim, and the receipt of the Mortgagee from time to time hereof for payment of such principal and interest will be a good discharge to the Mortgagor for the same.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF the Mortgagor has affixed its corporate seal duly attested to by its authorized signing officers this 24th day of June, 2013.

VISTA HEIGHTS MANAGEMENT LIMITED

Per: 

Name: John Weiter
Title: President

Per: 

Name: Mark Hilson
Title: Secretary and Treasurer

SCHEDULE "A"

LANDS

PLAN 7610289
 BLOCK A
 LOT 1
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

PERMITTED ENCUMBRANCES.

| Instrument Number | Registration Date | Particulars |
|--------------------------|--------------------------|---|
| 5859GF | 28/11/1950 | Utility right of way in favour of The City of Calgary as to portion or plan: 3900AK "Lots 3, 4 & 5 in Block A6" |
| 771 147 064 | 20/10/1977 | Zoning regulations subject to Calgary International Airport Zoning Regulations |
| 041 106 634 | 23/03/2004 | Caveat re: easement |
| 101 354 105 | 06/12/2010 | Caveat re: lease interest in favour of Three Streams Engineering Ltd. <i>(to be discharged in accordance with Section 138 of the Land Titles Act (Alberta))</i> |
| 111 013 452 | 18/01/2011 | Caveat re: lease interest in favour of Her Majesty the Queen in Right of Canada as represented by Minister of Public Works and Government Services Canada |
| 111 254 862 | 04/10/2011 | Caveat re: lease interest in favour of Three Streams Engineering Ltd. <i>(to be discharged in accordance with Section 138 of the Land Titles Act (Alberta))</i> |
| 121 038 836 | 14/02/2012 | Caveat re: lease interest in favour of William H. Fric Professional Corporation and Howard M. Lowenstein Professional Corporation |

This is **Exhibit "H"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ ^{KA} August, 2024.



A Notary Public in and for
the Province of Saskatchewan

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS GENERAL ASSIGNMENT OF LEASES AND RENTS (this "Assignment") dated for reference the 24 day of June, 2013

BETWEEN:

VISTA HEIGHTS MANAGEMENT LIMITED, having an office at
161 Bay Street, Suite 2430, PO Box 519, Toronto, Ontario M5J 2S1
(hereinafter referred to as the "Company")

- and -

CONCENTRA FINANCIAL SERVICES ASSOCIATION, having an office at
2055 Albert Street, P.O. Box 3030, Regina, Saskatchewan, S4P 3G8
(the "Lender")

WHEREAS the Company has agreed, as part of the security for the repayment of that certain loan not to exceed the principal amount of THIRTY FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$34,200,000) or any portion thereof which may be advanced by the Lender to the Company, and interest thereon (hereinafter referred to as the "Loan"), to grant unto the Lender an assignment of those certain leases, as amended, and all rents due or accruing due from such leases, (each of which is hereinafter referred to as a "Lease", and all of which together are hereinafter collectively referred to as the "Leases"), the Leases having been granted with respect to premises located in the building(s) situate on the lands described in Schedule "A" attached hereto (hereinafter referred to as the "Lands");

AND WHEREAS the Company has granted, or is granting concurrently herewith, a \$34,200,000 collateral mortgage (hereinafter referred to as the "Mortgage") of the Lands unto the Lender, which Mortgage secures repayment of the Loan;

AND WHEREAS it is a condition precedent to the advance by the Lender to the Company of the whole or any portion of the proceeds of the Loan, that the Company assigns the Leases unto the Lender;

1. **NOW THEREFORE** in consideration of the premises and the sum of ONE DOLLAR (\$1.00) now paid by the Lender to the Company (the receipt whereof the Company hereby acknowledges), and of the Lender advancing the whole or any part of the Loan, the Company does hereby irrevocably assign, grant, transfer and set over unto the Lender the Leases and all the Company's right, title estate and interest in and to each of the Leases, together with any amendments, extensions and renewals thereof and any guarantees of the obligations of the tenants thereunder and the rents payable thereunder and all benefits and advantages to be derived therefrom, and together also with the full benefit of all powers and of all covenants and provisos contained in the Leases to hold the same unto the Lender, its successors and assigns according to the nature and tenor thereof, subject nevertheless to the proviso for re-assignment next hereinafter mentioned; and the Company, for the purposes aforesaid, does hereby nominate, constitute and appoint the Lender its attorney, with full power and authority either in the Lender's name or in the name of the Company, its successors and assigns, to enforce the covenants, provisos and conditions set forth in the Leases; provided always that if the Loan is repaid in full to the Lender, then the Lender shall, at the request and the cost of the Company, re-assign the Leases to the Company or as the Company shall direct.
2. For the consideration aforesaid the Company hereby covenants and agrees with the Lender as follows:
 - (a) that the Leases are valid, subsisting and in good standing, and that no rentals thereunder have been collected or paid in advance of due date except in accordance with the terms of the Leases, and that there has been no modification, change or extension of the Leases except in writing as fully disclosed to the Lender;

- (b) that the Company is absolutely and solely entitled to all rents, profits and landlord's rights and privileges under the Leases, and has made no assignment thereof other than by these presents;
 - (c) that the Company shall not, without the prior consent in writing of the Lender, any time hereafter demand or accept payment of rent under any of the Leases more than one (1) calendar month in advance, except to the extent provided for in the Leases;
 - (d) that without the prior consent in writing of the Lender, the Company shall not permit or suffer any modification, surrender, termination, cancellation, or amendment of the Leases or any provision thereof, or any assignment, transfer, mortgage or charge of the tenant's interests thereunder (each a "Change"), other than in the ordinary course of business of the Company and provided that any such Changes do not, in the aggregate, result in a Material Adverse Effect (as defined in the credit agreement dated as of June 20, 2013 among, *Inter alios*, the Company, as borrower, and the Lender, as lender, as amended, modified, supplemented, restated or replaced, from time to time, the "Credit Agreement"); and
 - (e) that any default by the Company in the performance of any agreement or proviso herein contained shall constitute and be deemed to be a default under the Mortgage entitling the Lender to all rights and remedies therein contained.
3. The Company understands and acknowledges that these presents are and are intended to be an absolute, present and unconditional assignment (subject nevertheless to the proviso for re-assignment as hereinbefore provided) and that the Lender may after an Event of Default (as defined in the Credit Agreement), serve on each and every tenant under the Leases, a notice with regard to this assignment and the disposition of future rents under the Leases, and that this assignment is and shall constitute a security for the repayment of the Loan. The Company hereby covenants and agrees with the Lender:
- (a) that upon the occurrence of an Event of Default (as defined in the Credit Agreement) and thereafter serving on any or all tenants under the Leases, notice in writing requiring such tenant or tenants to thereafter pay the rents and other monies due under that tenant's Lease, to the Lender, the Company shall cause payment to the Lender of the rentals and other monies, and no tenant shall be obliged to inquire as to the Lender's right thereto, and the Company hereby acknowledges that any and all payments which may be effected by a tenant pursuant to any such notice, shall to the extent of any such payment, operate as a discharge to each such tenant of and in respect of rent or other monies due and payable under that tenant's Lease;
 - (b) that the Lender shall not, by reason of these presents or otherwise, be responsible for the collection of the rents or other sums payable under the Leases or renewals thereof or leases in substitution for the Leases, or for the non-performance of the covenants and provisos contained in the Leases, but that the Lender shall be accountable only for monies actually received; and
 - (c) that the Lender shall not by virtue of the execution of these presents, be deemed a mortgagee in possession, and neither the taking of this assignment by the Lender nor anything done in pursuance hereof shall make the Lender liable in any way as landlord or otherwise for the performance of any covenants, obligations, or liabilities under the Leases.
4. Until the occurrence of an Event of Default, the Company may collect and utilize all rents under the Leases and otherwise deal with the Leases in the ordinary course of business of the Company.
5. All rights and powers of the Lender shall enure to its benefit and that of its successors and assigns, and all agreements herein shall bind the Company, its successors and assigns.

6. Wherever the singular number or the masculine gender is used in this Assignment 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 Assignment 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 Assignment shall be jointly and severally bound by the covenants, agreements, stipulations and provisos herein stated which shall be in addition to those granted or implied by statute.
7. This Assignment shall be governed by the laws of the Province of Alberta.

[remainder of page intentionally left blank; signature page follows]

DATED this 24th day of June, 2013.

VISTA HEIGHTS MANAGEMENT LIMITED

Per: _____

Name: John Walker
Title: President

Per: _____

Name: Mark Hilson
Title: Secretary and Treasurer

**SCHEDULE "A"
LANDS**

PLAN 7610289
BLOCK A
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

This is **Exhibit "I"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *LR*

[Handwritten Signature]

A Notary Public in and for
the Province of Saskatchewan

ASSIGNMENT OF LICENSE

THIS ASSIGNMENT OF LICENSE dated for reference July 23, 2013.

AMONGST:

THE CITY OF CALGARY

(the "Licensor")

and

1604954 ALBERTA LTD.

(the "Assignor")

and

VISTA HEIGHTS MANAGEMENT LIMITED

(the "Assignee")

WHEREAS:

A. By a license in writing dated for reference the 10th day of July, 2010 (the "License"), the Licensor licensed to Medallion Business Centre Development Corp. ("Medallion"), certain premises as defined in the License as the "License Lands", in the city of Calgary, in the Province of Alberta, for a term of FIVE (5) YEARS commencing on the 1st day of September, 2010 (the "Term") on the terms and conditions contained in the License.

B. Pursuant to a court order dated November 18th, 2010, RSM Richter Inc. (the "Receiver") was appointed receiver and manager of all of the current and future assets, undertakings and properties of Medallion, including its interest in the License.

C. Pursuant to the General Assignment of Contracts, Warranties, Guarantees, Licences and Permits agreement, made effective as of June 1st, 2011, between the Receiver and the Assignor, all of the right, title and interest of Medallion in the License was assigned to the Assignor.

D. The Assignor now wishes to assign and transfer the License to the Assignee, and the Assignee wishes to accept the transfer and assignment of all the right, title, interest, covenants, obligations and liabilities of the Assignor under the License, pursuant to the terms and conditions of this assignment of License (the "Agreement").

NOW THIS AGREEMENT WITNESSES that in consideration of the sum of TEN (\$10.00) DOLLARS and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by the Assignor), **THE PARTIES AGREE AS FOLLOWS:**

1. **RECITALS** – The parties acknowledge and agree that the recitals contained herein are true and correct as of the date hereof and form an integral part of this Agreement.
2. **ASSIGNMENT TO ASSIGNEE** – The Assignor hereby grants and assigns to the Assignee, its successors and assigns, all its right, title, interest, claim, undertaking and demand whatsoever, both present and future and both at law and in equity, of the Assignor in the License and the License Lands, from and after July 1st, 2013 (the "Assignment Date") and all benefits and advantages to be derived therein, to have and to hold the same unto the Assignee for and during the residue of the term of the License and for all of the estate, term and interest of the Assignor therein.

3. **ASSUMPTION BY ASSIGNEE** – The Assignee hereby accepts the assignment herein contained, and covenants with the Licensor and Assignor that the Assignee shall, from and after the Assignment Date, pay all the license fees and observe and perform all of the Assignor’s covenants, conditions and agreements respectively reserved and contained in the License to be performed on the part of the Assignor, to the same extent as if the Assignee had been originally named as a party under the License.
4. **LICENSOR’S CONSENT** – The Licensor consents to and approves of this assignment provided that such consent shall in no way be construed nor operate as a release or discharge of the Assignor of its obligations under the License as between the Assignor and the Licensor. This consent shall not be deemed to authorize any further or other assignment or subletting without the consent of the Licensor.
5. **AUTHORITY TO ASSIGN** – The Assignor covenants that it has good right, full power and absolute authority to assign its interest in the License. The Assignor hereby acknowledges and agrees that the License is a good, valid and subsisting License and no amounts for license fees or other expenses are in arrears and owing under the License as at the Assignment Date.
6. **FURTHER ASSURANCES** – The Assignor and the Assignee each agree to execute and deliver all further agreements and other documents as may be reasonably required to effect the transaction herein contemplated and to carry out or give full force and effect to the intent of this Agreement.
7. **INDEMNIFICATION BY ASSIGNOR** – The Assignor agrees to and shall indemnify the Assignee from and against any and all claims, demands, awards, actions and proceedings whatsoever by whomever made, brought or prosecuted and from and against any and all losses, costs, damages or expenses suffered or

incurred by the Assignee (collectively, the "Assignee Claims") arising out of or in any way related to the breach, default or non-observance or non-performance of any provision required to be observed or performed by the Assignor under the License, provided that the event giving rise to the Assignee Claims occurred prior to the Assignment Date.

8. **INDEMNIFICATION BY ASSIGNEE** – The Assignee agrees to and shall indemnify the Assignor from and against any and all claims, demands, awards, actions and proceedings whatsoever by whomever made, brought or prosecuted and from and against any and all losses, costs, damages or expenses suffered or incurred by the Assignor (collectively, the "Assignor's Claims") arising out of or in any way related to the breach, default or non-observance or non-performance of any provision required to be observed or performed by the Assignee under the License, provided that the event giving rise to the Assignor's Claims occurred on or after the Assignment Date.

9. **ENUREMENT** – This Agreement shall be binding upon and enure to the benefit of the Assignor and the Assignee and upon their respective successors and assigns.



10. **NOTICE** – The Assignee's address for any notice, communication or request is:

Vista Heights Management Limited
161 Bay Street
Suite 2430
Toronto, Ontario M5J 2S1
Attention: John Weiler
Fax: (416) 360-1989

11. **GOVERNING LAW** – This Agreement is to be interpreted and the obligations of the parties hereunder are to be determined in accordance with the laws in of the Province of Alberta.

12. **ENTIRE AGREEMENT** – This Agreement, including all schedules attached hereto, constitutes the entire agreement between the parties as to the assignment of License and shall only be amended by agreement in writing by the parties.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

| | |
|-------------------------------------|---|
| APPROVED | |
| As to Content Corporate Services |  |
| As to Form Law |  |

THE CITY OF CALGARY

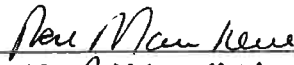
Per: 
 Manager, Land
 Corporate Properties & Buildings

Per: 
 City Clerk (seal)
SEP 12 2013

1604954 ALBERTA LTD.

Per: 
 Mark Hilson (seal)

Per: _____



 Witness ROSA MARIE RACE

 Witness

VISTA HEIGHTS MANAGEMENT LIMITED

Per: 
 Mark Hilson (seal)

Per: _____


 Witness ROSA MARIE RACE

 Witness


C A N A D A
PROVINCE OF ONTARIO
T O W I T

) I, Rose Marie Reece,
) of the City of Toronto,
) in the Province of Ontario
) **MAKE OATH AND SAY**

1. I was personally present and did see **Mark Hilson** named in the within instrument who is personally known to me to be the person named therein duly sign and execute the same for the purposes named therein.
2. That the same was executed at the City of Toronto, in the Province of Ontario, and that I am the subscribing witness thereto.
3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this
29th day of August, 2013.

)
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JOEL S. MICKELSON
A NOTARY PUBLIC AND FOR
THE PROVINCE OF ONTARIO

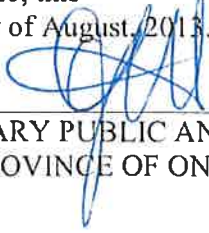



Rose Marie Reece

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, Mark Hilson, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY;

1. I am an officer and director of Vista Heights Management Limited named in the within document.
2. I am authorized by the corporation to execute the said document without affixing the corporate seal.

SWORN BEFORE ME at the City of)
Toronto, in the Province)
of Ontario, this)
29th day of August, 2013.)




Mark Hilson

A NOTARY PUBLIC AND FOR
THE PROVINCE OF ONTARIO

AFFIDAVIT VERIFYING CORPORATE SIGNING AUTHORITY

I, Mark Hilson, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY;

1. I am an authorized signing officer of 1604954 Alberta Ltd. named in the within document.

2. I am authorized by the corporation to execute the said document without affixing the corporate seal.

SWORN BEFORE ME at the City of)
Toronto, in the Province)
of Ontario, this)
29th day of August, 2013.)
)



A NOTARY PUBLIC AND FOR
THE PROVINCE OF ONTARIO



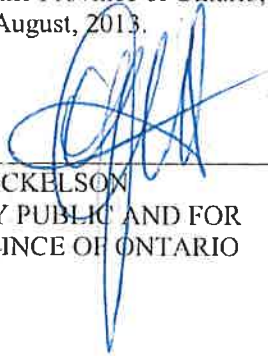
Mark Hilson

C A N A D A
PROVINCE OF ONTARIO
T O W I T

) I, Rose Marie Reece,
) of the City of Toronto,
) in the Province of Ontario
) **MAKE OATH AND SAY**

1. I was personally present and did see **Mark Hilson** named in the within instrument who is personally known to me to be the person named therein duly sign and execute the same for the purposes named therein.
2. That the same was executed at the City of Toronto, in the Province of Ontario, and that I am the subscribing witness thereto.
3. I believe the person whose signature I witnessed is at least eighteen (18) years of age.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, this
29th day of August, 2013.



JOEL S. MICKELSON
A NOTARY PUBLIC AND FOR
THE PROVINCE OF ONTARIO

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)


Rose Marie Reece

AMONGST:

THE CITY OF CALGARY

and

1604954 ALBERTA LTD.

and

VISTA HEIGHTS MANAGEMENT LIMITED

ASSIGNMENT OF LICENSE

**GLEND A E. COLE
CITY SOLICITOR
The City of Calgary
Law Department
12th Floor, Calgary Municipal Building
800 Macleod Trail SE
Calgary, AB T2G 2M3

(P. O. Box 2100, Station "M" (8053)
Calgary, AB T2P 2M5)**

Law File No.: RE2504 (L. Lau)
CP&B File No.: 1700 – 18 ST NE (D. Wright)

This is **Exhibit "J"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~, 2024. *LR*

August

M. M. M. M. M.

A Notary Public in and for
the Province of Saskatchewan

SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (this "Pledge Agreement") dated as of the ____ day of June, 2013

AMONG:

ROMSPEN REAL ESTATE EQUITIES LIMITED, a corporation incorporated under the laws of the Province of Ontario (hereinafter called "Romspen")

- and -

ABACUS REAL ESTATE INVESTMENTS LTD., a corporation incorporated under the laws of the Province of Ontario (hereinafter called "Abacus" and, together with Romspen, hereinafter collectively called the "Pledgors" and each, individually, a "Pledgor")

- and -

CONCENTRA FINANCIAL SERVICES ASSOCIATION, having a branch office at 2055 Albert Street, P.O. Box 3030, Regina, Saskatchewan S4P 3G8 (hereinafter called the "Lender")

WHEREAS:

- A. The Corporation is indebted to the Lender and each of the Pledgors has agreed, as collateral security for the indebtedness, liabilities and obligations of the Corporation to the Lender, to provide this Pledge Agreement; and
- B. The Pledgors are the registered and beneficial owners of the Pledged Stock.

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Defined Terms.

Capitalized terms not otherwise defined in the recitals or herein shall have the meanings ascribed to such terms in the Loan Agreement. In addition, the following terms shall have the following meanings:

- (a) "Corporation" means VISTA HEIGHTS MANAGEMENT LIMITED;
- (b) "Event of Default" means any Event of Default under the provisions of the Loan Agreement or any of the collateral security granted pursuant to the Loan Agreement;
- (c) "Loan Agreement" means the credit agreement dated as of June 20, 2013 among the Corporation, as borrower, the Lender, as lender, and Vista Heights Limited Partnership, as guarantor, as amended, modified, supplemented, restated or replaced, from time to time;
- (d) "Obligations" shall have the meaning ascribed to such term in Section 3 hereof;
- (e) "Pledged Assets" shall have the meaning ascribed to such term in Section 2 hereof; and

- (f) **"Pledged Stock"** means, collectively: (i) one common share in the capital stock of the Corporation held by Romspen represented by certificate No. 1; and (ii) one common share in the capital stock of the Corporation held by Abacus represented by certificate No. 2.

2. **Grant of Security.**

Each of the Pledgors hereby assigns, transfers, hypothecates, pledges and grants a security interest to and in favour of the Lender in:

- (a) the Pledged Stock held by such Pledgor;
- (b) all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Stock held by such Pledgor;
- (c) the Pledgor's rights in all or any portion of the earnings, capital, profits, surplus and other assets now or hereafter distributable to the Pledgor as a shareholder in the Corporation upon dissolution or liquidation thereof or otherwise;
- (d) all securities and other assets which may hereafter be substituted for any of the foregoing or any part thereof;
- (e) all proceeds of the foregoing and all proceeds of any such proceeds; and
- (f) all rights, interests and claims in respect of the foregoing or evidenced thereby,

(herein collectively called the **"Pledged Assets"**), to be held by the Lender pursuant to the provisions hereof as continuing security for the due and timely satisfaction and performance by each Pledgor of its obligations under Section 3 hereof.

3. **Security for Obligations.**

This Pledge Agreement secures the payment and performance of all obligations, liabilities and indebtedness, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, determined or undetermined, of the Corporation to the Lender, whether for principal, interest, interest on overdue and unpaid interest, fees, costs, expenses and indemnities now or hereafter existing under the Loan Agreement or any security collateral thereto (all such obligations, liabilities and indebtedness being hereinafter referred to collectively as the **"Obligations"**).

4. **Pledgors Remain Liable.**

Notwithstanding anything herein contained to the contrary:

- (a) each Pledgor shall remain liable under any contracts and agreements included in or relating to the Pledged Assets to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Pledge Agreement had not been executed;
- (b) the exercise by the Lender of any of its rights hereunder shall not release any Pledgor from any of its duties or obligations under the contracts and agreements included in or related to the Pledged Assets; and
- (c) the Lender shall not have any obligation or liability under the contracts and agreements included in or related to the Pledged Assets by reason of this Pledge Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of any Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

5. **Delivery of Certificates.**

Each of the Pledgors herewith delivers to the Lender powers of attorney in the applicable form attached hereto as Appendix A duly executed in blank. Additionally, all certificates, notes or instruments whether negotiable or otherwise, if any, representing or evidencing the Pledged Assets shall be delivered to and held by the Lender pursuant hereto. All such certificates and instruments, if any, shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Lender. Upon the occurrence of any Event of Default, each of the Pledgors shall forthwith, upon the pledge of any Pledged Assets hereunder and if requested by the Lender, cause such Pledged Assets to be registered in the name of such nominee or nominees of the Lender as the Lender shall direct, subject only to the revocable rights specified in Section 9 hereof.

6. **Representations, Warranties and Covenants of the Pledgors.**

Each of the Pledgors hereby represents and warrants to the Lender that:

- (a) this Pledge Agreement creates a valid first priority lien on and security interest in the Pledged Assets;
- (b) no authorization or approval or other action by, and no notice to or filing or recording with, any governmental authority or regulatory body or any other third party, is required either:
 - (i) for the grant by such Pledgor of the security interests granted hereby or for the execution, delivery or performance of this Pledge Agreement by such Pledgor;
 - (ii) to ensure the legality, validity, enforceability or admissibility in evidence of this Pledge Agreement in any jurisdiction in which any of the Pledged Assets are located; or
 - (iii) for the perfection of or the exercise by the Lender of its rights and remedies hereunder or for the exercise by the Lender of the voting or other rights provided for in this Pledge Agreement or the remedies in respect of the Pledged Assets pursuant to this Pledge Agreement (except as may be required in connection with such disposition by laws effecting the offering and sale of securities generally);
- (c) each Pledgor is the registered and beneficial holder of its Pledged Stock;
- (d) other than the Lender hereunder, no person has, nor during the term of this Pledge Agreement shall have, an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Pledged Assets or any part thereof;
- (e) other than the Lender hereunder, the Pledgors are, and during the term of this Pledge Agreement shall be, the registered and beneficial owner of all of the Pledged Assets, free and clear of any security interests, mortgages, charges or liens;
- (f) there are no restrictions upon the voting rights associated with, or upon the transfer of, any of the Pledged Stock; and
- (g) all necessary approvals and consents have been obtained in order to permit the Pledgors to subject to the lien and security interest of this Pledge Agreement the respective interests of the Pledgors in the Pledged Stock and to permit the transfer thereof to the Lender or its nominee or any other person in the event of realization in accordance with the provisions of Section 11 hereof.

7. **No Further Assignment by the Pledgors.**

Neither the Pledged Assets nor any interest of any Pledgor therein shall be transferred, assigned, hypothecated or otherwise alienated or encumbered by any Pledgor in favour of any person except with the prior written consent of the Lender.

8. **Registration of Pledged Assets.**

At the request of the Lender and subsequent to an Event of Default, each Pledgor shall cause such of the Pledged Assets as are registrable to be registered in the name of the Lender or its nominee.

9. **Dividends and Voting Rights.**

(a) For such time as no Event of Default shall have occurred:

- (i) the Pledgors shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Assets held by it or any part thereof for any purpose not inconsistent with the terms of this Pledge Agreement or the Loan Agreement;
- (ii) the Pledgors shall be entitled, subject to the terms of the Loan Agreement, to receive and retain any and all dividends or other distributions and principal or interest paid in respect of the Pledged Assets respectively held by them, provided however, that any and all (A) dividends or other distributions and principal or interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Assets, and (B) dividends and other distributions paid in cash in respect of any Pledged Assets in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, shall be, and shall be forthwith delivered to the Lender to be held as, Pledged Assets, and shall, if received by any Pledgor, be received in trust for the benefit of the Lender, be segregated from the other property or funds of such Pledgor, and be forthwith delivered to the Lender in the same form as so received (with any necessary endorsement). Each Pledgor shall, upon request by the Lender, promptly execute such documents and do such acts as may be necessary or reasonably advisable by the Lender to give effect to the provisions of this Section 9; and
- (iii) the Lender shall execute and deliver (or cause to be executed and delivered) to the Pledgors all such proxies and other instruments as the Pledgors may reasonably request for the purpose of enabling the Pledgors to exercise the respective voting and other rights that they are entitled to exercise pursuant to subsection (a)(i) of this Section 9.

(b) Upon the occurrence of an Event of Default:

- (i) all rights of the Pledgors to exercise the respective voting and other consensual rights that they would otherwise be entitled to exercise pursuant to Section 9 shall cease, immediately upon written notice given by the Lender to the Pledgors with respect to the exercise of such rights, and upon the giving of such notice all such rights shall thereupon become vested in the Lender who shall thereupon have the sole right to exercise such voting and other consensual rights;
- (ii) all rights of the Pledgors to receive the dividends or other distributions and principal or interest payments which any Pledgor would otherwise be authorized to receive and retain pursuant to Section 9 shall cease, and all such rights shall thereupon become vested in the Lender who shall thereupon have the sole right to receive and hold as Pledged Assets such dividends or other distributions and principal or interest payments;

- (iii) all dividends or other distributions and principal or interest payments which are received by any Pledgor contrary to the provisions of Section 9 shall be received in trust for the benefit of the Lender, shall be segregated from other property or funds of such Pledgor, and shall be forthwith paid over to the Lender as Pledged Assets in the same form as so received (with any necessary endorsement); and
- (iv) the Lender shall have the right at any time, and from time to time, to notify the issuers or obligors under any Pledged Assets to make payments of all dividends, or other distributions, principal or interest payments or other amounts due or to become due to any Pledgor thereunder directly to the Lender and, upon such notification and at the expense of such Pledgor, to enforce collection thereof, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Pledgor might have done.

10. **Capital Structure Changes.**

If during the term of this Pledge Agreement any stock dividend, reclassification, consolidation, subdivision, readjustment or other change is declared or made in the capital structure of the Corporation, or any right of conversion attached to the Pledged Assets is exercised, or both, then all new, substituted and additional shares, or other securities, issued to any Pledgor by reason of any such change or exercise shall be delivered to any Pledgor to and held by the Lender, together with appropriate powers of attorney duly executed in blank, and all such new, substituted and additional shares or other securities shall be held by the Lender under the terms of this Pledge Agreement in the same manner as the Pledged Stock.

11. **Realization by Lender.**

If any Event of Default shall have occurred, in addition to any other remedies permitted by law, the Lender may at any time thereafter, upon notice to the Pledgors, realize upon the Pledged Assets by sale, transfer or disposition at public auction, by private tender or by private sale, either for cash or upon credit at such time and upon such terms and conditions as the Lender may determine, or exercise and enforce all rights and remedies of a registered and absolute beneficial owner of the Pledged Assets, without control by the Pledgors, or advertisement, and any such remedy may be exercised separately from or in combination with any remedy the Lender may have and shall be in addition to and not in substitution for any other rights of the Lender. The Lender shall not be bound to exercise such right or remedy or otherwise deal with all or any part of the Pledged Assets or otherwise realize any proceeds therefrom and shall not be responsible for any loss occasioned by any sale or other dealing with or other failure to sell or otherwise deal with all or any part of the Pledged Assets.

12. **Power of Attorney.**

Each of the Pledgors hereby Irrevocably appoints the Lender as its attorney with power of substitution from time to time for and in the name of the Pledgors, after the occurrence of an Event of Default, to sign and seal all documents and to fill in all blanks and to sign powers of attorney and transfers necessary in order to complete the transfer of the Pledged Assets to the Lender or its nominee, or its officers or any other person in accordance with the provisions hereof. The power of attorney herein granted is in addition to, and not in substitution for, any powers of attorney in the form attached hereto as Appendix A delivered by the Pledgors with delivery of the Pledged Assets and such powers of attorney in the form attached hereto as Appendix A may be relied upon by the Lender severally or in combination. The power of attorney herein granted shall not be revoked by the dissolution, liquidation or other termination of the corporate existence of any Pledgor or for any other reason.

13. **Obligations.**

Any proceeds of any disposition of any of the Pledged Assets by the Lender shall be applied by the Lender against the expenses associated with enforcing the Lender's rights hereunder and then against the outstanding balance of the Obligations.

14. **No Merger of Obligations.**

This Pledge Agreement shall not operate by way of merger of any of the Obligations, and no judgment recovered by the Lender shall operate by way of merger of or in any way affect the security hereby constituted which is in addition to and not in substitution for and shall not in any way prejudice any other security now, heretofore or hereafter held by the Lender.

15. **Possession of Pledged Assets.**

The Lender shall have the obligation to use reasonable care in the safe custody of the Pledged Assets in its possession, but shall have no other obligations or duties with respect to the Pledged Assets. Without limiting the generality of the foregoing, the Lender shall be under no obligation to take any steps necessary to preserve rights in the Pledged Assets against any other parties, or to keep the Pledged Assets identifiable or to exercise any rights arising pursuant to the Pledged Assets, but may do so at its option after becoming entitled to exercise the remedies referred to herein and all expenses incurred in connection therewith shall be for the sole account of the Pledgors and shall be added to the Pledgors' respective obligations under the Loan Agreement. The Lender shall not be liable for any loss or depreciation in the value of the Pledged Assets.

16. **Termination and Release.**

Upon payment, satisfaction, settlement or extinguishment of the Obligations or if the Pledgors are otherwise entitled to a release of the Pledged Assets in accordance with the terms of the Loan Agreement, the Lender upon request in writing by the Pledgors and at the Pledgors' expense, shall deliver the Pledged Assets to the Pledgors with all powers of attorney duly executed and, upon request in writing by the Pledgors and at the Pledgors' expense, shall execute and deliver to the Pledgors such deeds or other instruments as shall be requisite to discharge the security hereby constituted.

17. **Attachment of Security Interest.**

The parties expressly state that they intend the security hereby constituted to attach upon execution and delivery hereof and, with respect to property forming part of the Pledged Assets acquired by any Pledgor thereafter, upon such Pledgor acquiring rights in such property. Each Pledgor hereby acknowledges receipt of a true copy of this Pledge Agreement and waives the right to receive any financing statement, financing change statement or verification statement issued by any public registry with respect to the security interest granted hereunder.

18. **Further Assurances.**

Each Pledgor shall, at the expense of the Corporation, make, execute and deliver or cause to be made, executed and delivered, all such further acts, documents and things as the Lender may reasonably require for the purposes of giving effect to this Pledge Agreement including, without limitation, for the purpose of facilitating the enforcement of the security over the Pledged Assets hereby constituted and for the purpose of exercising all powers, authorities and discretion hereby conferred upon or acquired by the Lender, all immediately upon the request of the Lender.

19. **Severability.**

In the event that any provision of this Pledge Agreement shall be invalid, illegal or unenforceable in any respect of any jurisdiction, it shall not affect the validity, legality or enforceability of such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Pledge Agreement.

20. **Amendments, Etc.**

No amendment or waiver of any provision of this Pledge Agreement, nor consent by any Pledgor to any departure herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

21. **Notices.**

All notices, requests, demands and other communications provided for hereunder shall be in writing (including telegraphic communication) and shall be given in the manner, and to the parties at the address provided for in the Loan Agreement.

22. **Time of the Essence.**

Time shall be of the essence of this Pledge Agreement.

23. **Applicable Law.**

This Pledge Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in the Province of Alberta.

24. **Binding Effect.**

The provisions hereof shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.


[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF each of the Pledgors have executed this Pledge Agreement as of the day and year first above written.

ROMSPEN REAL ESTATE EQUITIES LIMITED

Per: 
Name: Mark Hilton
Title: President

ABACUS REAL ESTATE INVESTMENTS LTD.

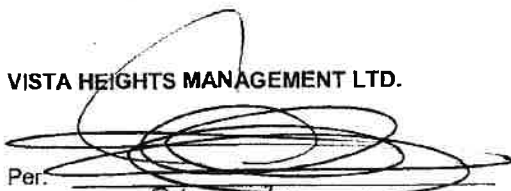
Per: 
Name: Schriftleiter
Title: Secretary and Treasurer

Per: _____
Name:
Title:

ACKNOWLEDGEMENT AND CONSENT

The undersigned issuer of the Pledged Collateral referred to in the foregoing Pledge Agreement hereby (a) acknowledges receipt of a copy thereof, and agrees to be bound thereby and to comply with the terms thereof insofar as such terms are applicable to it, (b) agrees to register the pledge of the Pledged Collateral on its books and records and to take all further action as may be required under the law of the undersigned's organization to effect or perfect such pledge, (c) acknowledges that no transfer or pledge of such Pledged Collateral or the voting or other rights relating thereto has been made on the register of the undersigned, except in the name of the Lender and (d) represents and warrants to the Lender that the Pledged Stock has been duly authorized and are validly issued. The undersigned agrees to notify the Lender promptly in writing of the occurrence of any of the events described in Section 9(a)(ii) of the foregoing Pledge Agreement. The undersigned further agrees that the terms of Section 12 of the foregoing Pledge Agreement shall apply to it, in all material respects, with respect to all actions that may be required of it under or pursuant to or arising out of Section 12 of the foregoing Pledge Agreement.

VISTA HEIGHTS MANAGEMENT LTD.



Per:

Name: *John Weston*
Title: *President*



Per:

Name: *Mark Hilson*
Title: *Secretary and Treasurer*

SCHEDULE "A"
POWER OF ATTORNEY

Description of Securities:

_____ shares (the "Securities") in the capital of **VISTA HEIGHTS MANAGEMENT LIMITED**, a corporation incorporated under the laws of the Province of Ontario (the "Corporation"), represented by certificate no(s). _____.

FOR VALUE RECEIVED, the undersigned hereby pursuant to the Pledge Agreement dated _____ June _____, 2013, as amended, modified, supplemented, restated or replaced from time to time:

1. sells, assigns and transfers unto _____ the aforementioned Securities standing in the name of the undersigned on the books of the Corporation; and
2. irrevocably constitutes and appoints _____ the Attorney(s) of the undersigned to complete the foregoing transfer and/or any transfer on the transfer panel of the respective share certificates representing such Securities and to transfer the said Securities on the books of the Corporation, with full power of substitution in the premises.

DATED effective this _____ day of _____.

ROMSPEN REAL ESTATE EQUITIES LIMITED

Per: _____
Authorized Signatory

POWER OF ATTORNEY

Description of Securities:

_____ shares (the "Securities") in the capital of **VISTA HEIGHTS MANAGEMENT LIMITED**, a corporation incorporated under the laws of the Province of Ontario (the "Corporation"), represented by certificate no(s). _____.

FOR VALUE RECEIVED, the undersigned hereby pursuant to the Pledge Agreement dated _____ June _____, 2013, as amended, modified, supplemented, restated or replaced from time to time:

1. sells, assigns and transfers unto _____ the aforementioned Securities standing in the name of the undersigned on the books of the Corporation; and

2. irrevocably constitutes and appoints _____ the Attorney(s) of the undersigned to complete the foregoing transfer and/or any transfer on the transfer panel of the respective share certificates representing such Securities and to transfer the said Securities on the books of the Corporation, with full power of substitution in the premises.

DATED effective this _____ day of _____.

ABACUS REAL ESTATE INVESTMENTS LTD.

Per: _____
Authorized Signatory

This is **Exhibit "K"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ ^{August}, 2024. *CR*


A Notary Public in and for
the Province of Saskatchewan

Search ID #: Z17581242

Transmitting Party

MCLENNAN ROSS LLP

600, 12220 Stony Plain RD
EDMONTON, AB T5N 3Y4

Party Code: 50025451

Phone #: 780 482 9250

Reference #: 20240927/CPR

Search ID #: Z17581242

Date of Search: 2024-Jul-11

Time of Search: 08:25:34

Business Debtor Search For:

VISTA HEIGHTS MANAGEMENT LIMITED

Both Exact and Inexact Result(s) Found

NOTE:

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



Search ID #: Z17581242

Business Debtor Search For:

VISTA HEIGHTS MANAGEMENT LIMITED

Search ID #: Z17581242

Date of Search: 2024-Jul-11

Time of Search: 08:25:34

Registration Number: 13062439184

Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Jun-24

Registration Status: Current

Expiry Date: 2028-Jun-24 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23041921857

Renewal

2023-Apr-19

Debtor(s)

Block

Status

1 VISTA HEIGHTS MANAGEMENT LIMITED
161 BAY STREET, SUITE 2430
TORONTO, ON M5J 2S1

Current

Secured Party / Parties

Block

Status

1 CONCENTRA FINANCIAL SERVICES ASSOCIATION
2055 ALBERT STREET PO BOX 3030
REGINA, SK S4P 3G8

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the debtor.

Current

Particulars

Block

Additional Information

Status

1 The foregoing is limited to all present and after-acquired personal property now or hereafter situated on the lands legally described as Plan 7610289, Block A, Lot 1, excepting thereout all mines and minerals, area: 1.81 hectares (4.47 acres) more or less, and any other legal descriptions by which such lands may be described (whether by subdivision, condominiumization or otherwise) or which is now or at any time may be annexed to, comprised in, pertaining or relating to or used in connection with the lands and all accessions thereto and substitutions therefor.

Current

Search ID #: Z17581242

Business Debtor Search For:

VISTA HEIGHTS MANAGEMENT LIMITED

Search ID #: Z17581242

Date of Search: 2024-Jul-11

Time of Search: 08:25:34

Registration Number: 13062439207

Registration Type: LAND CHARGE

Registration Date: 2013-Jun-24

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 VISTA HEIGHTS MANAGEMENT LIMITED
161 BAY STREET, SUITE 2430
TORONTO, ON M5J 2S1

Current

Secured Party / Parties

Block

Status

1 CONCENTRA FINANCIAL SERVICES ASSOCIATION
2055 ALBERT STREET PO BOX 3030
REGINA, SK S4P 3G8

Current

Search ID #: Z17581242

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address

VISTA HEIGHTS MASSAGE & ACUPUNCTURE LTD.
#112 - 3132 26 ST NE
CALGARY, AB T1Y 6Z1

Reg.#

23120115412

SECURITY AGREEMENT

Result Complete



LAND TITLE CERTIFICATE

S
 LINC SHORT LEGAL TITLE NUMBER
 0018 014 712 7610289;A;1 131 153 900

LEGAL DESCRIPTION
 PLAN 7610289
 BLOCK A
 LOT 1
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 1.81 HECTARES (4.47 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
 ATS REFERENCE: 5;1;24;25;SW

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 111 241 465

| REGISTERED OWNER(S) | | | | |
|---------------------|------------|------------------|--------------|---------------|
| REGISTRATION | DATE (DMY) | DOCUMENT TYPE | VALUE | CONSIDERATION |
| 131 153 900 | 27/06/2013 | TRANSFER OF LAND | \$52,830,000 | \$52,830,000 |

OWNERS

VISTA HEIGHTS MANAGEMENT LIMITED.
 OF 161 BAY STREET, SUITE 2430
 TORONTO
 ONTARIO M5J 2S1

ENCUMBRANCES, LIENS & INTERESTS

| REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS |
|---------------------|--------------|---|
| 771 147 064 | 20/10/1977 | ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS |
| 041 106 634 | 23/03/2004 | CAVEAT RE : EASEMENT |
| 111 013 452 | 18/01/2011 | CAVEAT RE : LEASE INTEREST |

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2
131 153 900

REGISTRATION

| NUMBER | DATE (D/M/Y) | PARTICULARS |
|-------------|--------------|---|
| | | CAVEATOR - HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES CANADA C/O PUBLIC WORKS AND GOVERNMENT SERVICES CANADA REAL PROPERTY SERVICES 5TH FL TELUS PLAZA N, 10025 JASPER AVE EDMONTON ALBERTA T5J1S6 AGENT - HARRY MAH |
| 121 038 836 | 14/02/2012 | CAVEAT RE : LEASE INTEREST CAVEATOR - WILLIAM H. FRIC PROFESSIONAL CORPORATION. CAVEATOR - HOWARD M. LOWENSTEIN PROFESSIONAL CORPORATION. BOTH OF: 420, 1925-18TH AVE NE CALGARY ALBERTA T2E7T8 AGENT - WILLIAM H FRIC |
| 131 153 901 | 27/06/2013 | MORTGAGE MORTGAGEE - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 2055 ALBERT ST, BOX 3030 REGINA SASKATCHEWAN S4P3G8 ORIGINAL PRINCIPAL AMOUNT: \$34,200,000 |
| 131 153 902 | 27/06/2013 | CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - CONCENTRA FINANCIAL SERVICES ASSOCIATION. 2055 ALBERT ST, BOX 3030 REGINA SASKATCHEWAN S4P3G8 AGENT - ALLISON K. OSTAPOWICH |
| 131 176 360 | 23/07/2013 | CAVEAT RE : LEASE INTEREST CAVEATOR - FOSTER WHEELER CANADA LTD. SUITE 401, 1925-18 AVE NE CALGARY ALBERTA T2E7T8 AGENT - ROBERT G KIDDINE (DATA UPDATED BY: CHANGE OF NAME 131321007) |

TOTAL INSTRUMENTS: 007

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 11 DAY OF JULY,
2024 AT 08:26 A.M.

ORDER NUMBER: 51039004

CUSTOMER FILE NUMBER: 20240927/CPR



END OF CERTIFICATE

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

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

This is **Exhibit "L"** referred to in the Affidavit of ROBERT GARTNER sworn before me on the 6 day of ~~July~~ August, 2024. *CR*

[Handwritten signature]

A Notary Public in and for
the Province of Saskatchewan

McLENNAN ROSS

LEGAL COUNSEL

Our File Reference: 20240927

March 7, 2024

Charles P. Russell, K.C.
chuck.russell@mross.com
Direct 780.482.9115

Erika Kiss, Assistant
erika.kiss@mross.com
Direct 780.482.9262

Fax 780.733.9757

PLEASE REPLY TO EDMONTON OFFICE

VIA REGISTERED MAIL,
REGULAR MAIL, EMAIL AND FAX

Vista Heights Management Limited
161 Bay Street, Suite 2430
Toronto, ON M5J 2S1
Attention: Mark Hilson and John Weiler

Vista Heights Management Limited
c/o Primary Agent for Service
Parlee McLaws LLP
3300, 421-7th Avenue SW
Calgary, AB T2P 4K9
Attention: Randy Shapiro
Email: calgarycorporateservices@parlee.com

Vista Heights Management Limited
c/o Abacus Real Estate Investments Ltd.
161 Bay Street, Suite 2430
PO Box 519
Toronto, ON M5J 2S1
Attention: John Weiler
Fax: 416-360-1969

Vista Heights Management Limited
c/o Romspen Investment Corporation
162 Cumberland Street, Suite 300
Toronto, ON M5R 3N5
Attention: Mark Hilson
Fax: 416-966-1161

Dear Sirs:

Re: **Concentra Bank v Vista Heights Management Limited (the "Borrower")**

We are counsel for Concentra Bank fka Concentra Financial Services Association ("Concentra").

Edmonton

600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4
Telephone 780 482 9200
Facsimile 780 482 9100
Toll-free 800 567 9200

Calgary

1900 Eau Claire Tower
600 - 3rd Avenue SW
Calgary, AB T2P 0G5
Telephone 403 543 9120
Facsimile 403 543 9150
Toll-free 888 543 9120

Yellowknife

301 Nunasi Building
5109 - 48th Street
Yellowknife, NT X1A 1N5
Telephone 867 766 7677
Facsimile 867 766 7678
Toll-free 888 836 6684

Pursuant to a Credit Agreement dated June 20, 2013, Concentra provided financing to the Borrower (the "Loans").

As at March 6, 2024, the balance due and owing on the Loans was as follows:

| | |
|--------------------|------------------------|
| Loan #833400011114 | \$24,843,844.49 |
| Loan #833400017475 | <u>\$ 1,334,981.95</u> |
| Total: | <u>\$26,178,826.44</u> |

Interest continues to accrue due on such indebtedness (the "Debt").

In addition to recovery of the Debt, Concentra is entitled to recover from the Borrower its costs incurred in review and enforcement of the Loans, on a solicitor and his own client basis.

As security for payment of the Loans, Concentra holds a mortgage dated June 24, 2013 in the principal amount of \$34,200,000 over lands legally described as Plan 7610289, Block A, Lot 1 (the "Security").

The Borrower has defaulted in performance of various obligations owed to Concentra in connection with the Loans, and Concentra hereby declares the Loans to now be due and payable in full.

Concentra hereby demands that the Borrower makes payment of its obligations within 10 days of the date of this letter. Failure to do so will result in Concentra taking such action as it may deem fit, including enforcement of the Security.

Enclosed herewith is a Notice of Intention to Enforce Security.

Please govern yourselves accordingly.

Yours truly,



CHARLES P. RUSSELL, K.C.

CPR/emk

Cc: Equitable Bank (Attn: Robert Gartner)

20240927 - 4144-3263-2399 v.1

NOTICE OF INTENTION TO ENFORCE SECURITY

(subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: **VISTA HEIGHTS MANAGEMENT LIMITED**
insolvent person

TAKE NOTICE that:

1. Concentra Bank fka Concentra Financial Services Association, secured creditor, intends to enforce its security on the personal and real property charged by the insolvent person pursuant to the Security.
2. The Security that is to be enforced is:
 - (a) Mortgage dated June 24, 2013 in the principal amount of \$34,200,000 over lands legally described as Plan 7610289, Block A, Lot 1.
3. The total amount of the indebtedness secured by the Security is \$26,178,826.44 as at March 6, 2024, together with further interest and costs.
4. Concentra Bank fka Concentra Financial Services Association will not have the right to enforce the Security until the expiration of 10 days from the date hereof.

DATED at Edmonton, Alberta this 7th day of March, 2024.

Concentra Bank fka Concentra Financial Services Association,
by its solicitors and agents McLENNAN ROSS LLP

per _____


Charles P. Russell, K.C.

This is **Exhibit "M"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 6 day of ~~July~~ August, 2024. *KA*

M. Remondet

A Notary Public in and for
the Province of Saskatchewan

Tax Information

Query Information

Request Number: XFKJMPICSRG4
User Email: tcsandl@mross.com

Charged: Yes
Folio #:

Response Date: 2024-03-08
Search Key: 048039002

Title Information

Parcel Address: 1925 18 AV NE
Title #: 131153900
Description: 7610289;A;1

LINC #: 0018014712

Assessment and Property Tax Information for 048039002

Roll #: 048039002

2024 Assessment Value: 24,100,000

Supplementary Assessment: 0

Supplementary Months: 0

2023 Tax Levy (includes Supplementary Tax Levy - as shown above & Local Improvement Levies): 643,259.68

Account Balance Owing: 43,855.02

Current Tax: 0.00

Arrears: 42,577.68

of Buildings on Site: 3

Property Use:

- Commercial

Municipality: Calgary

Supplementary Tax Levy: 0.00

Tax Status: Taxable

Current Penalty: 0.00

Arrears Penalty: 1,277.34

Sub-property Use:

- CS0302 Suburban Offices

Building Type

- Office
- Parkade
- Office / Lowrise (1-4 Storey)

Actual Year of Construction:

- 2004
- 2009
- 2004

Taxable Local Improvement Information

No Taxable Local Improvements exist for this account.(#21180)



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This is **Exhibit "N"** referred to in the Affidavit
of ROBERT GARTNER sworn before me
on the 10 day of ~~July~~, 2024. *LSR*

August

M. Remon

A Notary Public in and for
the Province of Saskatchewan

COURT FILE NO.

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF CONCENTRA FINANCIAL SERVICES ASSOCIATION

DEFENDANT VISTA HEIGHTS MANAGEMENT LIMITED

DOCUMENT **CONSENT TO ACT**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

McLENNAN ROSS LLP
#600 McLennan Ross Building
12220 Stony Plain Road
Edmonton, AB T5N 3Y4

Lawyer: Charles P. Russell, K.C.
Telephone: (780) 482-9115
Fax: (780) 733-9757
Email: chuck.russell@mross.com
File No.: 20240927

The undersigned, BDO Canada Limited, hereby consents to act as Receiver and Manager pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, section 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, section 99(a) of the *Business Corporations Act*, R.S.A. 2000, c. B-9 and section 65(7) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7, each as amended, of all of the current and future assets and undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of VISTA HEIGHTS MANAGEMENT LIMITED.

Dated at the City of Calgary, in the Province of Alberta, this ^{26th} day of July, 2024.

BDO Canada Limited

Per: 

Name: Kevin Meyler
Title: Licensed Insolvency Trustee
I have authority to bind the Corporation